

RTS GROUP

ROLLING TRANSPORT SYSTEMS LTD
ROLLING TRANSPORT SYSTEMS OVERSEAS LTD
ROLLING TRANSPORT SYSTEMS GROUP LTD
York House, Parkside Court, Guildford, Surrey, GU1 4HL

TRACTOR-TRAILER SYSTEMS - RO-RO FLATS - CONTAINERS

SERVING SHIPS PORTS INDUSTRY

TEL. GUILDFORD (043) 78818 TELEFAX 043 78847

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 36; SPAIN Ptas 80; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EURO 20g

NEWS SUMMARY

GENERAL

13 die as ship sinks in Channel

Thirteen people, including a woman, were feared dead after a coaster capsized suddenly and sank within five minutes in the English Channel. After an intensive air and sea search hampered by high winds, only two men were picked up alive. The 1,028-ton Pool Fisher sank off the Isle of Wight after sending a last message to coastguards: "We are going over. Position southwest of St. Catharine's Point."

In the past, the Pool Fisher had been chartered by British Nuclear Fuels to carry irradiated spent nuclear fuel, but on its journey from Hamburg to Runcorn, Cheshire, it was carrying potatoes.

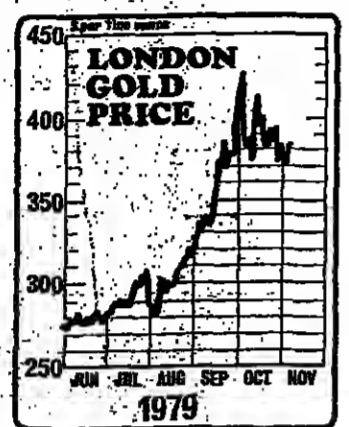
The Trade Department had immediately launched a preliminary inquiry. MPs were told in the Commons.

Parliament, Page 16

BUSINESS

Sterling firm; Gold up \$3

STERLING was firm in quiet trading and rose 45 points to \$2.0735. Its trade-weighted dollar was 66.6 (66.1), and the dollar's index was 86.9 (86.7).



GOLD rose further on Iran's threat to world oil supplies, and closed \$3 up in London at \$384.

GILTS fell sharply from the bad mid-October banking statistics, and the Government Securities Index last 0.73 to close at 67.44. EQUITIES rally was also halted, and the FT 30-share index closed 2.5 off at 418.5.

WALL STREET was down 3.84 at \$98.75 near the close.

FIRST FRANCHISE of the "Carter bonds" which was limited to DM 2bn, was heavily oversubscribed in West Germany with applications totalling \$3bn.

BANK of England Governor Gordon Richardson raised the prospect of a partial and early reform of the corporation tax system. Back Page

CRU's proposed strike insurance fund is expected to be based on an annual income of between £100m and £200m—the amount CRU leaders believe necessary to cover large company interests and fend off long strikes aimed at bankrupting the fund. Back Page; Conference reports, Pages 10 and 11

GOVERNMENT and industry are urged to introduce robots and automation on a large scale in the 1980s in a Cabinet Office paper published yesterday. Back Page and Feature, Page 22

BUILDING Societies are still failing to meet demand for home loans in spite of record mortgage lending levels, the Building Societies Association said. Page 9; Parliament, Page 16

KUWAIT is likely to announce a rise of about 7.3 per cent in its crude oil price in the next few days, bringing the cost to about \$23 a barrel. Page 4

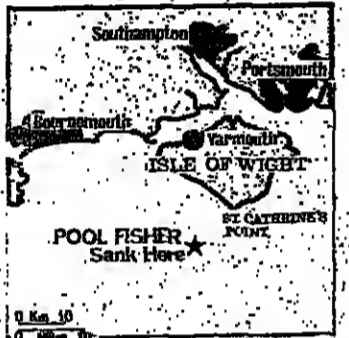
SCOTCH WHISKY exports continued to fall in September, but losses in volume sales were partly compensated by higher prices which boosted overall earnings by 8 per cent to about \$500m. Page 7

WORLD Business Weekly, launched in London by the Financial Times a year ago, has moved its offices to New York.

REED INTERNATIONAL has agreed to sell its Canadian offshore forest products assets in the Dryden, Ontario, area to Great Lakes Forest Products for about \$80m.

ACROW, the international engineering group, reports a sharp fall in pre-tax profits for the six months to September 30 from \$5.98m to \$1.31m—its first downturn for 30 years. Page 24 and Lex

WHITREAD raised pre-tax profits for the six months to September 1 from \$21.82m to \$26.31m, and the company says the trend is continuing in the second half. Page 24 and Lex



Budget hopes

Government is reasonably confident that it can get a reduction of about \$650m in Britain's next contribution to the EEC Budget at the Dublin summit later this month. Back Page; Confrontation looms, Page 2

D'Rourke warrant

Dublin's Special Criminal Court issued a warrant for the arrest of IRA member Michael D'Rourke, who escaped from court three years ago, and is in custody in New Jersey awaiting deportation.

Murder hunt

Huge police hunt was under way for the killers of two mothers found shot in the head in a 18th century country house near Congleton, Cheshire. It was thought they may have disturbed thieves.

SAS order

Coroner for Brecknock and Radnor ordered the Special Air Service to review safety measures after the deaths of two soldiers in six months on assessment courses in the Welsh mountains.

Ohira re-elected

Japanese Parliament re-elected Masayoshi Ohira as Premier after a clash of factions produced deep rifts in the ruling Liberal Democratic Party. He narrowly defeated former Premier Takeo Fukuda in a ballot. Back Page

War crimes trial

Former Nazi police chief Herbert Martin Hagen, on trial for war crimes against Jews, told a Cologne court that he thought Hitler's "final solution" meant the establishment of a Jewish state.

Briefly . . .

Spanish Iberia Airlines DC-10 carrying 158 people landed safely at Caracas after an engine exploded during take-off.

Five U.S. airmen died when their car burst into flames after colliding with a lorry at Tingewick, Bucks.

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

RISES		FALLS	
Flight Refuelling	170 + 15	Treas. 12pc 1984	£924 - 1 1/2
House of Fraser	115 + 3	Treas. 11pc 03-07	£890 - 1 1/2
IC Gas	588 + 13	Allied London	91 - 5
Lloyds Bank	275 + 7	Assd. Dairies	146 - 6
Martinair	170 + 4	BATS Dtd	231 - 1
Groovitei	339 + 12	Suroett Hallamshire	400 - 30
St Helena	£104 + 1 1/2		
Venterspost	308 + 20		
Vlakfontein	844 + 7		
West Driefontein	£274 + 1 1/2		
Western Deep	£114 + 1 1/2		
Winkelhaak	891 + 80		
Caledonia Lvs.	262 - 10		
Gates (F. G.)	36 - 3		
Howden (A.)	89 - 5		
Johnson Gp. Cnrs.	127 - 11		
Kynoch (G. and G.)	92 - 20		
Land Secs.	261 - 13		
London Prov. Shop	283 - 13		
MERC	147 - 6		
Mothcare	184 - 6		
Newman Tonks	65 - 7		
Ocean Transport	931 - 31		
Rowntree Mackintosh	166 - 6		
SGB	288 - 14		
Somic	27 - 3		
Stylo Shoes	160 - 8		
Thorn Elac.	336 - 18		
Urd Newspapers	361 - 17		
Urd Scientific	316 - 18		
Virtun	148 - 10		
Wilkinson Match	142 - 7		
Wills Faber	205 - 7		
WYZ	277 - 6		

Gilts slide as UK monetary growth passes its target

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The rate of monetary growth accelerated last month to above the official target range. At the same time, there was a very large increase in bank lending. The figures were much higher than expected and led to sharp falls in prices of gilt-edged stock and Ordinary shares.



There are no signs of any early response from the Government, which regards the figures as probably the erratic result of a combination of unfavourable factors.

Consequently the authorities prefer to wait and see what is happening to the underlying demand for credit before reviewing their monetary stance.

However, the upward pressure on interest rates intensified yesterday, with three-month interbank rates rising by 1/2 point to 15 3/16 per cent. At this level it is clearly attractive for top-quality industrial customers to borrow from the clearers and re-lend to the money market at a profit. If this round-trip develops on any scale, the clearers will have to consider increasing their interest rates.

The rise in money market rates could just be a temporary hiccup, but the stock market is taking an increasingly pessimistic view of the prospects for interest rates. Prices of long-dated gilt-edged stock dropped by up to 1 1/2.

The FT Government Securities Index dropped by 0.73 points to 67.44 yesterday, bringing its fall in the last week to 2 1/2 per cent. Similarly the 30-share industrial Ordinary index, 7.5 up in the early afternoon, closed 2.5 lower at 418.5.

The news that worried the markets was the announcement by the Bank of England of a 2.4 per cent rise in the eligible liabilities of the banking system to £51.28bn in the month to mid-October.

These liabilities are a main component of the banks' deposits, and are a guide to the money supply figures, due to be announced a week on Thursday.

After adjusting for transactions inside the banking system, it is likely that sterling M3, the broadly defined money supply, increased by about 2 per cent last month.

This indicates an annual rate of increase of about 14 per cent since the beginning of the current target period in mid-June.

The underlying rate of expansion could be two to three percentage points higher because of growth of commercial bills held outside the banking system. These are a form of lending which escapes official controls. The permitted target rate of increase is 7 to 11 per cent.

The sharp rise in sterling M3 was partly because public-sector borrowing was higher than expected. This in turn was because payments of value-

Continued on Back Page

Thorn rushes out new offer to secure EMI

BY CHRISTINE MOR

THORN Electrical Industries has rushed out an increased offer for EMI, the troubled music to medical electronics group, to win agreement from EMI's board and pre-empt any other bidder. The EMI board last night duly recommended the offer to its shareholders.

The offer, which includes a partial cash alternative, a crucial condition laid down by EMI's board, values EMI at £168m. The original all-share offer, which was never officially put to shareholders, was worth £144m when it was announced. By yesterday, with Thorn's shares drifting in line with market conditions, it was worth only £131m.

The offer is 28 Thorn shares (worth 336p each in the market yesterday after the announcement—an 18p drop) for every 100 EMI shares, plus £58 of convertible preference shares with a coupon of 7 per cent.

Hambros Bank, acting for Thorn, has also agreed to offer 330p in cash for every Thorn share to shareholders who do not want to accept the ordinary share element of the deal.

This involves the issue of 31.1m Thorn shares and led to a hastily arranged underwriting deal with more than 500 institutions which created havoc in the market for a short time yesterday.

Usually, the announcement that underwriting was in progress preceded the announcement of the new offer terms. This meant that the underwriters were in possession of facts not generally known and Thorn's advisers, Rowe and Pitman, asked for a suspension in shares until underwriting was complete.

The Stock Exchange refused the request for the traditional

Inflation accounting plan soon

BY MICHAEL LAFFERTY.

BRITAIN'S first inflation accounting standard is likely to be issued in March next year. It will be applicable to company accounts for periods beginning on or after January 1, 1980 and will be broadly in line with proposals published by the accountancy profession earlier this year.

Mr. Douglas Morthet, chairman of the profession's inflation accounting steering group, said yesterday: "It looks very much as if we will get a standard off the ground on time."

The weight of support for the scheme, as measured by more than 200 submissions and comments at a series of public hearings, is roughly 80 per cent in favour, according to Mr. David Ross, secretary of the steering group.

He said the profession would make its decisions in the next three months, after which the Accounting Standards Committee, the rule-making body on company accounts, would probably make public its plans. A statement by January would give the companies affected adequate time to prepare for the standard, he believed.

The latest inflation accounting plan, the third the British accountancy profession has come up with the past 10 years, is described in a document called Exposure Draft 24. It calls on quoted companies, and other companies with a turnover exceeding £5m, to publish additional current cost accounts.

The object is to start from the traditional historic cost accounts by making a number of adjustments to the profit and loss account. Two of these, for additional depreciation and cost of sales, are intended to reflect the increased cost of production as a result of inflation. A third, adjusts profits by the extent to which debtors or creditors have been affected by inflation.

Finally, there is a gearing adjustment which reduces each of the other adjustments by the extent to which a company's capital comes from external borrowing.

Steel plant may still be shut

By Our Industrial and Labour Staff

THE BRITISH STEEL Corporation may still go ahead with temporary closure of Ravenscraig, one of its three largest and most modern integrated steel works, despite the prospect of an early end to union blacking of the Hunterston ore terminal on the Clyde.

Mr. James Prior, the Employment Secretary removed one of the last obstacles yesterday to solve the inter-union dispute which has kept Hunterston closed.

He agreed to lay a draft Order designed to bring the terminal into the Dock Labour Scheme. The Hunterston dispute resulted in the corporation's threat to suspend operations.

It told union leaders yesterday that production at other steel plants would be immobilised if unions went ahead with industrial action against the decision to end iron and steel making at Corby, Northants.

The Iron and Steel Trades Confederation is recommending a one-day strike, national overtime ban and selective stoppages to other unions in the industry at a meeting of the TUC steel industries committee tomorrow.

Two officials of the ISTC plan to barrack and scatter leaflets from the public gallery during the Commons steel debate today.

Yesterday's developments, particularly over Ravenscraig, will reinforce suspicion that the corporation wants to shut further excess capacity in any case to meet its break-even target by April.

Mr. Bob Scholey, the corporation's deputy chairman and chief executive, said in a letter to steel unions that if industrial action over Corby resulted in works becoming unmanageable, "we would have no alternative but to close down its operations."

Mr. Scholey urged the unions to understand the corporation's need to bring its capacity into line with demand, and reduce costs to become competitive.

The risk of operations being suspended is greatest in steel plants where there is a high proportion of overtime working. Throughout the corporation the national average for overtime is 10 per cent, with up to 12 per cent in areas with high rates of absenteeism.

A proposal to start the process to add Hunterston to the list of scheme ports, which will result in reserving all non-ore handling jobs for registered dock workers, was a principal

Continued on Back Page

News Analysis, Page 13
Editorial comment Page 22

Khomeini takes over in Tehran

BY ANDREW WHITLEY IN LONDON AND DAVID BUCHAN IN WASHINGTON

AYATOLLAH KHOMEINI'S Government yesterday assumed full power in Iran after the resignation of the Government of Dr. Mehdi Bazargan. This formally clears the decks for the introduction of a full-blooded Islamic State of a type not known since the seventh century.

Western governments and businessmen are watching the unfolding drama in Iran with anxiety, aware that the new regime is unlikely to feel constrained by accepted principles of international diplomacy or commerce.

The resignation of the virtually impotent Government of Dr. Bazargan also reduced the prospect of an early end to the occupation of the U.S. Embassy in Tehran, now 72 hours long. The 60 American hostages have been threatened with execution in the event of any American military initiative to free them.

President Jimmy Carter met his senior advisers to discuss the situation. Afterwards Mr. Jody Powell, his Press Secretary, said the U.S. had ruled out the use of force.

The U.S. Government is exploring diplomatic channels through countries in good standing with Tehran to express the full extent of its concern. Fundamentalist Islamic or extreme governments headed by Muslims such as those of Pakistan, Algeria and Syria are known to have been contacted.

In the Commons Mrs. Margaret Thatcher condemned the takeover of the U.S. Embassy as "an outrage to diplomatic relations everywhere."

Mr. Peter Shore, the Shadow Foreign Secretary, said he endorsed and reinforced the protest delivered to Iran on Monday concerning the temporary occupation of the British mission.

In Iran, the Revolutionary Council asked the outgoing lay ministers and deputy ministers to remain at their posts "until a final resolution of their position." But otherwise the council gave little indication of its intentions.

In his message charging the council with the difficult task of administering Iran for the moment, Ayatollah Khomeini said it should immediately hold a referendum on the new Islamic constitution as well as elections for a President and legislature. Thereafter, its role is unclear.

The religious leader said he had accepted Mr. Bazargan's resignation "while appreciating

his hard work . . . and with belief in his goodwill." The 72-year-old Premier had tried to resign on several previous occasions, but had been persuaded by Khomeini to stay on.

Doctors for the Shah, in hospital in New York, said yesterday that his condition was worsening. They said he may need another operation shortly and that his neck tumour was getting larger.

U.S. officials have made it clear that they do not intend to bow to pressure to send the Shah back to Iran, but the occupiers of the Tehran Embassy appear equally adamant.

The Ayatollah's takeover, Page 16
Editorial comment, Page 22

A communique broadcast on the state radio said: "The spying and plotting centre of the U.S. will be in our hands until the final conclusion."

The "Moslem students," as they have described themselves, called on the Embassy's chargé d'affaires, Mr. Bruce Laingen, to come out of hiding. Mr. Laingen is believed to be still in the Iranian Foreign Ministry building, where he has been since Sunday trying to keep open channels to Washington and negotiate the release of his staff.

Two other Americans working in an official capacity in the Iranian capital were rounded up yesterday and taken to join the other hostages within the Embassy compound. However, no harm has come to the other 700 or so Americans working in Iran.

The U.S. State Department is resisting pressure from many people to take some retaliatory action against Iranian students in the U.S., believed to number nearly 50,000.

In dealing with the crisis over its Embassy, the U.S. has very few options. Although officials have played down the potential effect of the loss of Iranian oil supplies, the impact of a boycott could be serious.

£ in New York

	Nov. 5	Previous
Spot	\$2.0690-0708	\$2.0660-0678
1 month	0.25-0.30 pre	0.25-0.30 pre
3 months	0.30-0.35 pre	0.35-0.40 pre
12 months	0.45-0.50 dia	0.50-0.55 dia

New Zealand moves to attract foreign investors

NBNZ has the know-how

Recent moves by the New Zealand Government are likely to generate greatly improved conditions for foreign investment in New Zealand. As part of the Lloyds Bank Group, with over 200 branches throughout New Zealand, we are uniquely placed to advise and help U.K. companies who are thinking about the prospects of investment in this market.

As your next step on how to approach investment in New Zealand to your best advantage call Fred Adams on 606 8311. It could be a step in the right direction.

The National Bank of New Zealand Limited

A member of the Lloyds Bank Group

THE NATIONAL BANK OF NEW ZEALAND LTD., 8 MOORGATE, LONDON EC2R 6DW. TELEPHONE: 01-606 8311

CONTENTS

Manufacturing machines: robots are coming, but not to Britain	22	Gardens today: sinister appeal of orchids	20
Mexico City: a macrocephalic monster in the smog	23	Lombard: the Expenditure White Paper, by Peter Riddell	20
EEC: European Parliament to vote on budget	2	Editorial comment: pressures on British Steel, Iran	22
Iran: a theocracy takes power	4	United States: South Korea and the Asian connection	6
Management: a new monthly series on practical planning	19	Thailand: Bangkok feels Mr. Volcker's severity	31
American News	6	Intl. Companies	33-35
Appointments	17	Leader Page	22
Arts	21	Letters	23
Base Rates	31	Law	44
Commodities	39	Lombard	20
Companies - UK	24-29	Management	19
Crosswords	22	Sea & Masters	22
Editorial, Guide	20	Mining	26
Europe	33	Money & Exchanges	30
European News	2-3	Overseas News	4, 8, 14
European Options	26	Parliament	15
FT Accurates	40	Racing	20
Share Information	42-43	Stock Markets:	40
Stock Markets:	40	Wall Street	38
World	40	Bourses	38
Technical	14	Staffs, Pottories	29
Today's Events	2	INTERIM STATEMENTS	29
TV and Radio	20	Copper Nelli	24
UK News:	8, 9, 14	14th Anniversary	25
General	12	Imperial Club	28
Whitbread	28		

For latest Share Index phone 01-246 8026

EUROPEAN PARLIAMENT IN STRASBOURG

Confrontation looms on the budget

By Elinor Goodman

EUROPEAN MPs will today vote on a motion to halve Parliament's rent provision and so force it to stop its expensive monthly cavalcade between Strasbourg and Luxembourg.



Mr. David Curry... CAP Community councillor

The amended budget will then go back to the Council of Ministers who, on past form, will return it to Parliament with most of the major amendments mutilated.

Commission's proposed regional budget should be restored. But the muscle flexing has been most evident in the field of compulsory spending, which is dominated by agriculture.

It has not been easy gaining agreement on a common strategy even among members of the budget committee, but with the guidance of the Dutch Socialist, Mr. Pieter Dankert, which is in many ways sympathetic to the British position on farm spending.

It recommends that 280m units of account be switched from the dairy sector into reserve funds.

In the disappointment of Mr. Dankert, he was unable to gain the necessary majority in the committee for a proposal imposing a tax on milk producers.

The second day of the debate on the budget yesterday showed how difficult it is for the individual political groups to reach a consensus over such a central issue as agricultural spending.

Virtually all speakers agreed that the present system was not functioning perfectly. British Socialists and Tories were united in arguing that the Community should not be allowed access to more funds until the agricultural situation has been sorted out.

The solution, they maintained, was not to cut agricultural spending but to develop other policies.

With the television cameras fixed firmly on her, Mrs. Barbara Castle, leader of the British Labour delegation, castigated the Commission for promising proposals to take a larger slice of VAT revenues.

Accusing the European Tories of voting against measures to help consumers, and making only token amendments to the agricultural budget, she overlooked the fact that many of her criticisms of the Community budget were precisely those of Mrs. Thatcher.

The Tories answered back with their agricultural spokesman, Mr. David Curry. To defend the common agricultural policy as the backbone of Europe was nonsense, he said.

The Conservative group looked forward to the day when the Community ran out of its own resources. It was about time Parliament looked for value for money from policies rather than regarding them merely as symbols of European unity.

Just how determined an assault Parliament is prepared to make on the budget should be clear by tonight. A question-mark hangs over the attitude of independent left-wingers in Parliament who, in the past, have shown a remarkable unity when it comes to filibustering.

One story going around Strasbourg last night—typical of the way rumours breed in the hot-house atmosphere of this plexiglass Parliament—said militants had worked out a combination of the voting buttons which would jam the whole electronic voting system.

French air controllers step up disruption

By David White in Paris

INTERNATIONAL flights out of France were halted for much of yesterday, as were many domestic services, when air traffic controllers decided to step up strike action which began a week ago.

The controllers, who disrupted peak holiday weekends last year, yesterday embarked on an extended programme of stoppages. The main control centre at Athis-Mont near Orly Airport, Paris, refused to take-off clearance from 9 am until 5.30 pm.

A similar protest is planned for tomorrow. Today and on Friday take-offs will be blocked from 2 pm to 5.30 pm. The unions are to hold further meetings at the end of the week to decide whether to pursue their campaign to alter working conditions and their pay structure.

Air France kept up its Concorde services by advancing take-off times. All its long-distance flights were maintained by similar means yesterday, except those to the Middle East. Today the airline is planning to go ahead with all except six of its scheduled long-haul services but heavier disruption is expected on Thursday, when some of Air France's new ground and cabin staff on 24-hour strike.

Meanwhile trouble at the Dassault-Breguet aircraft company, took a more serious turn yesterday when the two main unions called their members out on strike. The company's plants have been subject to daily stoppages of two hours or more for nearly two months, in pursuit of higher pay and shorter hours. The company's Argenteuil factory, near Paris, was occupied two weeks ago.

Rumours surround Giscard

By Robert Mauthner in Paris

A SPATE of wild speculation has been provoked by President Giscard d'Estaing's decision to retire to his family residence at Chantilly, central France, for 48 hours' reflection.

He is considering his course of action following the political storm caused by the suicide of M. Robert Boulin, his Labour Minister.

Some French newspapers have even suggested that the President has been thinking about resigning and immediately announcing his candidature for the subsequent presidential election.

Other commentators have done no more than talk about a possible Cabinet reshuffle, which would not necessarily involve M. Raymond Barre, the Prime Minister.

Presidential aides, however, have discreetly let it be known that the President is most unlikely to announce any spectacular moves at the weekly Cabinet meeting today.

It may well be, for the moment at least, that the only government change will be the appointment of a new Labour Minister to succeed M. Boulin.

The aides have stressed, in particular, that it would be enjoining disaster for the President to change his Prime Minister at this crucial stage of the budget debate.

After last month's rejection by the National Assembly of the revenue chapters of the budget, it will need all M. Barre's skill to find a compromise with the Gaullists which would permit the budget to win parliamentary approval.

FINANCIAL TIMES published daily except Sundays and holidays. U.S. subscription rates \$25.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing centres.

Compulsory profit-sharing in new Danish package

By Hilary Barnes in Copenhagen

COMPULSORY profit sharing, higher corporate income tax, increased wealth tax, new property taxes, and cuts in tax-deductible allowances, were among the economic policy measures announced by Mr. Anker Joergensen, Danish Prime Minister, at the opening of the Folketing (Parliament), yesterday.

The measures are designed to increase public understanding and support for the incomes policy which the Government intends to impose, after tripartite negotiations with labour and management, Mr. Joergensen said.

Meanwhile, the Government has imposed the toughest price and wage freeze since wartime emergency measures. The freeze, effective last Sunday, will apply until January 1, while details of a longer-term incomes policy are worked out.

The price freeze forbids higher prices arising from import price increases, as well as all increases in wages, salaries, fees, rents and dividends.

This year's oil price increases and other raw material price rises would cost Denmark at least Dkr 7.50 (€200m), the Prime Minister said.

The current account balance of payments deficit for the first nine months was about Dkr 11.1bn (€74m) compared with a deficit of Dkr 8.5bn for the whole of last year.

The deficit for 1979 would exceed Dkr 14bn—easily a record. The rapid increase in the foreign debt was threatening to undermine the country's creditworthiness, Mr. Joergensen warned.

Severe restraint on consumption was necessary to improve the external balance, Mr. Joergensen added. Government policy aimed to strengthen the State budget both by stabilising expenditure and increasing revenue.

To this end, the Prime Minister proposed an increase in corporate income tax from 37 to 40 per cent, a new annual tax on property and abolition of a special 10 per cent investment allowance for machinery and equipment.

He also proposed higher wealth tax and a switch in the deduction of interest on private debt allowable against income tax, which means home-owners with mortgages will have to pay more tax.

The Government will call for a Parliamentary resolution approving a compulsory profit sharing scheme, which the Government will later enact.

The scheme involves the transfer of 10 per cent of after-tax profits to an investment fund controlled by the trade unions. The fund would normally reinvest the money in the companies making the transfer where it would represent wage-earners' equity capital.

The profile of the Government's tax proposals and the compulsory profit sharing scheme are seen by the Government as redistributive measures which will win trade union support for the incomes policy, of which no details have yet been disclosed.

But it is expected to involve a prices and incomes freeze until March, 1981, when present collective wage agreements expire.

The Government will have to rely on the parties to its right for its incomes policy measures, and on the parties to its left for most of its other proposals. It runs a considerable risk of defeat.

Almost certainly, there is not a majority for the compulsory profit sharing scheme. Even if it is approved, there will be enough support from the Opposition to ensure that any measure is subjected to a referendum.

Judging by recent opinion polls, any measure would be heavily defeated.

Hua hails successful Europe tour

By Rupert Cornwell in Rome

CHAIRMAN Hua Guofeng left Italy for home last night after declaring his visit to Western Europe "a complete success."

He also signed three new agreements aimed at underpinning closer ties between China and Italy.

The agreements, signed at the end of a four-day official visit to Italy, provides for greater scientific, technical and cultural co-operation, closer economic collaboration and the reciprocal opening of consulates in Milan and Shanghai.

It has been decided that the recently created technical commission of senior officials from the two nations will meet early in 1980. They may settle some of the prospective deals which have been further examined during Chairman Hua's stay.

The overriding impression left is of a considerable improvement in relations between Rome and Peking, but with little concrete advance in terms of new economic ventures.

The Chinese have confirmed ENI, the state-controlled oil energy agency, as a leading foreign group involved in oil exploration planned by China, especially offshore in the South China Sea. Conclusion of an agricultural equipment deal with Fiat still seems some way off.

The Chinese side is clearly happy with the outcome of the visit to Europe of their Head of State and Government, whatever embarrassment his anti-Soviet tirades may have caused in Paris and Bonn.

In a written declaration after a last round of talks with Sig. Francesco Cossiga, the Italian Prime Minister, Chairman Hua declared that his visit to four countries had been a complete success and had produced a

broad convergence of views. He said the visit had been aimed at increasing mutual understanding, developing economic ties and uniting forces to protect peace. That goal had been achieved. An independent and united Western Europe was an important factor for maintaining world stability.

Among the most important features of the Chinese leader's stay in Rome was his first contact with leaders of the Italian Communist Party, whose ties with Moscow have made it an object of suspicion in Peking.

But on Monday the Chinese leader twice met Sig. Enrico Berlinguer, the Italian party secretary, and other senior officials of the exchanges cordial, if necessarily brief, was underlined by officials of the Italian Communist Party.

On December 1, 1979, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment thereof in public and private debt, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main office of Morgan Guaranty Trust Company of New York in London, Brussels, Paris, Frankfurt or the main office of Allgemeine Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourg/rozetee in Luxembourg-Ville.

NOTICE OF REDEMPTION To the Holders of ENTE NAZIONALE IDROCARBURI E. N. I. (National Hydrocarbons Authority) 6 3/4% Sinking Fund Debentures due June 1, 1983

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on December 1, 1979, at the principal amount thereof \$691,000 principal amount of said Debentures, as follows:

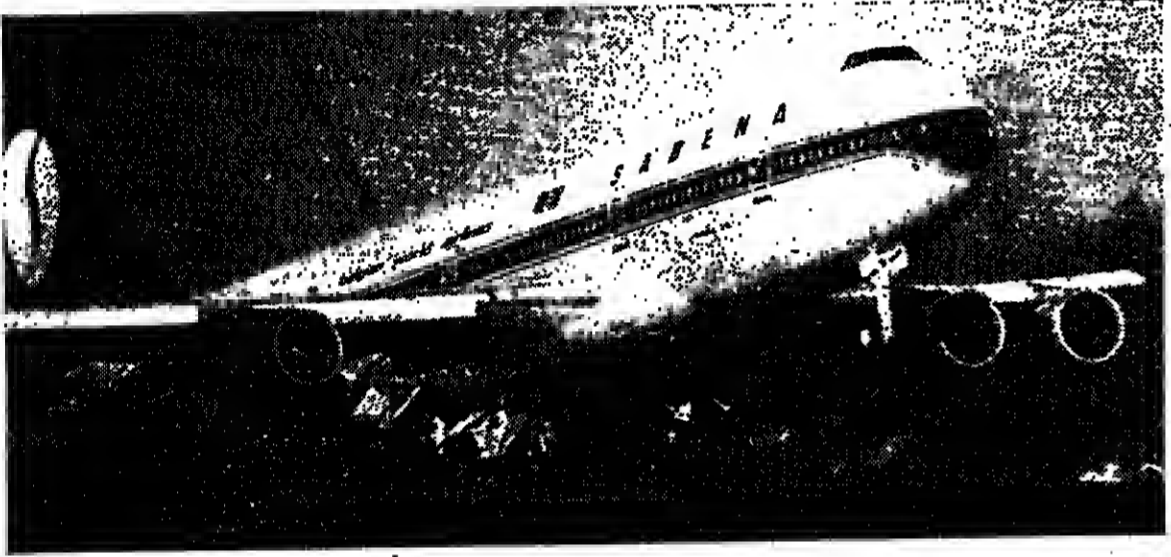
Table with columns for Outstanding Debentures of U.S. \$1,000 Each of Prefix "MP" Bearing Serial Numbers and a list of serial numbers.

On December 1, 1979, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment thereof in public and private debt, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main office of Morgan Guaranty Trust Company of New York in London, Brussels, Paris, Frankfurt or the main office of Allgemeine Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourg/rozetee in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unattached coupons appurtenant thereto. Coupons due December 1, 1979, should be detached and collected in the usual manner. From and after December 1, 1979, interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Fiscal Agent

NOTICE The following Debentures previously called for redemption have not yet been presented for payments: DEBENTURES OF U.S. \$1,000 EACH X 3023 27827 27824



Sabena's proposal

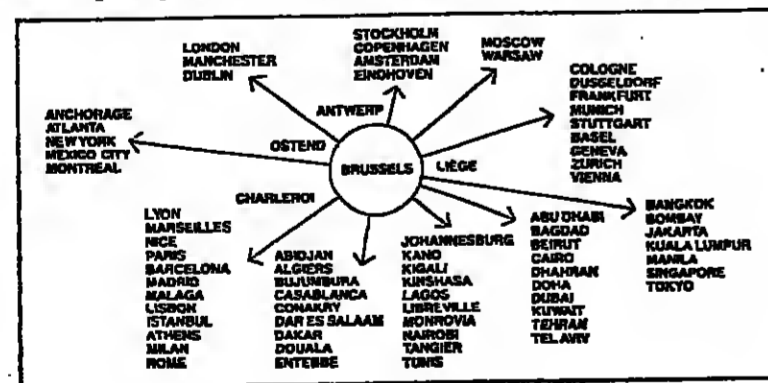
An unhurried airport at the centre of a busy international network

A privileged location Sprawling, overcrowded airports are all too common in Europe. Brussels Airport is a welcome exception. Although centre of a vast international network, it maintains a human dimension by grouping all services within a single terminal, thereby eliminating bus transfers and long walks through endless corridors.

smaller, queues are shorter and baggage handling quick, reliable and efficient.

The Sabena network Founded in 1923, Sabena the Belgian airline was already operating regular flights to Central Africa as early as 1925. Today, Sabena carries over 2 million passengers annually to some 75 destinations in more than 50 countries around the globe. From the UK, Sabena offers you 99 passenger and 17 cargo flights per week from London and Manchester to Brussels, Antwerp, Liege, Charleroi and Ostend. Brussels is also directly accessible from Birmingham and Edinburgh without having to pass through London.

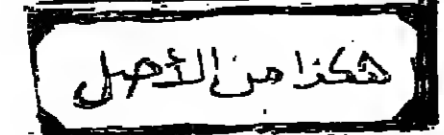
Manchester-Brussels This year we are proud to celebrate the 30th anniversary of our first scheduled flight to Manchester. On June 15, 1949 a DC3 "00-AUV" touched down at precisely 12.54 p.m. bringing the first 13 businessmen by air from Brussels. Today, Manchester is linked daily with Sabena's worldwide network.



SABENA belgian world airlines Sabena and your travel agent are partners and would be happy to provide any additional information you may require.

Are you making sure you're better informed again?

THE TIMES Renew your order today.



Vertical advertisements on the right edge of the page, including 'Irish cc', 'Demirel closer to majority', and '50 y han'.

Irish concern over mounting trade problems

BY STEWART DALBY IN DUBLIN

THE IRISH punt's climb above parity with sterling, which has taken place since last week, could in the long run help Ireland's balance of trade, providing it remains at a premium. However, trade figures for the first eight months of this year show that the country is suffering serious balance of payments problems.

These figures, moreover, do not reflect the fluctuations of sterling and the dollar for the four months April to August, during which time the punt depreciated against the British pound. At one stage, the punt went down to 80p, because of the strength of sterling. This followed Ireland's membership of the European Monetary system which Britain has not joined.

Officials at the Export Board fear that the currency fluctua-

tions over this four month period could give a further boost to the value of imports, when prices work their way through. Also, the effect on exports of a weak punt against sterling has yet to emerge. Despite diversification, 46.2 per cent of Ireland's exports still go to Britain.

Higher oil costs have still to work their way into the figures fully, and Ireland imports over 80 per cent of its energy needs, 75 per cent of oil.

As it is, the trade gap for the eight months ended in August was Ir£984m. Imports, at Ir£3.17bn, were 31 per cent higher than for the comparable period in 1978, while exports at Ir£2.19bn were 17.5 per cent of the total. The trade deficit was 72 per cent higher than the same period in 1978.

The Export Board claims to be reasonably happy with export

performance. One official pointed out that in value terms, Ireland would probably top the EEC table for another year, although Italy might pip it at the post. Exports were poor for the first three months of the year because of exceptionally bad weather and the lorry drivers strike in Britain.

The overall figure has also been held back by sluggish exports of beef. Sales of live cattle abroad dropped by 26.9 per cent from Ir£100.5m to Ir£80.5m. Food, drink and tobacco were only 11.8 per cent better. This category includes processed beef.

Beef exports—one of the two main agricultural exports—were bad because farmers rushed to sell as much as possible thanks to relatively better prices under the common agricultural policy.

The Export Board was heartened that the biggest

deficit came in manufactures. The overall increase was 24.2 per cent, and in machinery was 31 per cent, and appears to have come in what the board calls Continental Europe. The percentage of exports going to Britain dropped slightly from 47.4 per cent to 46.2 per cent.

If exports have given grounds for modest satisfaction, however, the trend in imports has caused some alarm. The big rise was due to the fast growing economy and the georgous expansion of credit. Last year, the Irish economy grew by 6.5 per cent and credit was allowed to grow by 38 per cent. The increases, therefore, were in the categories of consumer goods, capital goods and raw materials.

The economy has slowed down this year and credit has been held rigorously to an 18 per cent increase by the central bank. However, a wide trade

deficit by the end of the year is in prospect.

Ireland habitually runs a trade deficit which it usually covers by invisible earnings and capital inflows. For example, in 1978 the balance of payments deficit on current account was Ir£156m and this was covered by capital inflows for foreign investment.

This year, tourism earnings, the main invisible earner, will probably be down on last year's Ir£400m, and it seems unlikely that the trade deficit will be covered on current trends. The Government, therefore, faces the prospect of running down reserves which were Ir£933.6m at the end of September, compared with Ir£1.25bn at the end of December 1978.

Alternatively, it could borrow in foreign currencies to cover the deficit, or it could try to defuse domestic demand.

Backing in Netherlands for NATO missiles

By Charles Batchelor in Amsterdam

AN INDEPENDENT group of advisers of the Dutch Minister of Defence has come out in favour of the modernisation of NATO's theatre nuclear forces in Europe. In its report, presented on the eve of a two-day debate on NATO issues in Parliament, the Advisory Council for Defence Matters has urged a decision in favour of the production and limited deployment of new nuclear warheads.

If negotiations with the Soviet Union on a reduction of Warsaw Pact forces in Europe do not produce the desired results, then more of the Pershing 2 and Cruise missiles could be stationed in Europe, says the report, which was signed by a majority of the 15-member council.

A minority report, signed by three members, called for NATO to do no more than decide in principle to deploy new missiles in Europe.

The council is composed of former MPs, academics, union leaders and economists from a wide range of the political spectrum, and can call on a number of military advisers. Its report goes further towards accepting the modernisation of NATO's nuclear weapons than did the leading government party, the Christian Democrats, when it formulated its position last week.

The Christian Democrats are willing to accept the production of the missiles but want a decision on deployment put off until talks have been held with the Soviet Union.

The Netherlands is seen as the weak link in the NATO chain by many observers in the West. The largest party in Parliament, the opposition Labour group, is opposed to modernisation, while the Christian Democrats are split.

Stressing the opposition by a large number of Christian Democrat MPs to the modernisation plan, Mr. Ruud Lubbers, the party's parliamentary leader, warned that the NATO proposals go too far. The detailed plans put forward by NATO would bind its member countries for many years, he said.

While Mr. Lubbers represents a large faction of the party, most of the Ministers in the Christian Democrat-Liberal Cabinet are believed to be in favour of modernisation.

APPLAUSE FOR THE VICTOR



Mr. Masayoshi Ohira, Japan's Prime Minister, bows to Parliament after winning re-election to office. Mr. Ohira defeated his arch-rival Mr. Takeo Fukuda in a showdown vote by MPs.

Kim plotted Korea coup bid alone, says report

BY RON RICHARDSON IN SEOUL

KIM JAE-KYU, former head of South Korea's Central Intelligence Agency, assassinated President Park Chung-lee in an attempt to take over the Government, in the belief that he could gain support from the military, according to the official report on Park's murder. But the joint civilian-military investigation said it could find no evidence of prior military involvement.

The report, released yesterday, said Kim had plotted the coup attempt alone for more than four months. He saw his opportunity on October 26 when the President told him that he would dine with him in a private restaurant.

Kim called Gen. Chung Seung-Hwa, Army Chief of Staff, and one of his own assistant directors to dine in an adjoining restaurant in the belief that he could persuade them to support his coup, once Park was dead.

Kim also gained the tacit approval of Park's powerful Secretary-General to kill the "troublesome" head of the

presidential bodyguard, the report said.

The investigators concluded that the Secretary-General had supported Kim's attempted coup, once the President was shot.

Kim planned to call a Cabinet meeting immediately and to impose martial law, while suppressing news of Park's death for three days, the investigators said.

He believed men from his own extensive intelligence agency could "investigate" Park's killing and also control any political situation which it provoked.

Maj-Gen. Chon Tu-Hwan, said Kim mistakenly believed that all key officials in the Government and its military commanders were under his influence. He also had the illusion that he was the most eligible person for the presidency.

Kim's plot almost succeeded. Three hours after the assassination the Army and Cabinet still believed Park had been killed by North Korean commandos or rebellious units.

Demirel closer to majority

ANKARA—Mr. Suleyman Demirel, Turkey's Premier-Designate, yesterday expressed his belief that he now has enough parliamentary support to form a new Government which could win a vote of confidence in the country's 450-seat assembly.

Mr. Demirel was named to form a new government 10 days ago, following the resignation of Mr. Bulent Ecevit's 21-month-old Cabinet. Mr. Ecevit resigned as Prime Minister after his Republican People's Party suffered massive losses in mid-term elections.

Mr. Demirel's centrist Justice Party emerged victorious from the poll, winning 47 per cent of the votes. But the elections did not greatly change the line-up in the assembly, where no single party commands a majority.

Mr. Demirel's party has only 185 assembly seats, 41 short of a majority and 13 less than Mr. Ecevit's party. Yesterday he said he already had 205 sure votes, with the officially declared support of the ultra-rightist National Movement Party and splinter groups.

Mr. Demirel has yet to meet Mr. Necmettin Erbakan, the leader of the Moslem fundamentalist National Salvation Party. AP-DJ

Security forces accused of Basque torture

BY ROBERT GRAHAM IN MADRID

A POTENTIALLY damaging controversy has erupted over claims that members of the security forces in the Basque country have tortured suspected members of ETA, the militant separatist group.

The charges have been made by Sr. Juan Maria Bandres, an MP and leader of Euzkadiko Ezkerra, the Left-wing Basque party.

The Government has dismissed them as fabrications aimed at discrediting the security forces. However, the allegations and the way in which

the Government has reacted have merely fuelled the debate on the often controversial role of the security forces in the Basque country.

In the wake of the referendum endorsing Basque autonomy, this polemic threatens to embitter feelings just when there were signs that passions were beginning to cool.

Sr. Bandres claims that a Sr. Mikel Amilibia was detained by the Guardia Civil on October 14 and, after being held incommunicado in San Sebastian for six days, was taken before an examining magistrate, to

whom he claimed that he had been tortured. He was subsequently released and complained that police had used electrodes on his thigh.

Another ETA suspect, Sr. Izaskun Arrazola, arrested at the same time, was held for the maximum 10 days permitted under anti-terrorist legislation before being released. She also complained of torture.

The Government's official spokesman, Sr. Josep Melia has dismissed these allegations, maintaining that the injuries suffered by Sr. Amilibia were

caused by a heated coin applied to the least sensitive part of the thigh after detention. Sr. Melia said the torture claims were merely efforts to discredit the police.

However, his statement is regarded as clumsy in the Basque country. Because Sr. Bandres supported the autonomy statute, Euzkadiko Ezkerra, which acts as a political front for the political-military wing of ETA, was largely responsible for persuading the latter to support the statute—causing in the process a clear split within ETA.

Small rise in W. German jobless

BY ROGER BOYES IN BONN

THE NUMBER of unemployed in West Germany rose slightly last month compared to September, but the figure is still the lowest for five years.

Boosted by the general upturn in the economy, the unemployment rate is well below the 4 per cent mark. For the first time this year, the average number of jobless has also dropped below 900,000.

According to the Federal Statistics Office, the number of unemployed rose by 24,900 in October to 761,000. This represents a 3.3 per cent unemployment rate compared to 4.2 per cent in September. The

January-October unemployment average is 890,000.

The rise, in the opinion of the Statistics Office, reflects normal seasonal factors—the gradual laying off, for example, of construction workers before the winter.

Seasonal factors have also influenced the number of workers on short-time which has increased by 23,900 to 60,500. This is still relatively low, thanks to a pick-up in such areas as the steel industry. The number of vacant positions fell by 4.2 per cent from September, to 306,800.

The figures will give the Government a little more room

for manoeuvre in the wage round this winter. Union leaders have already said they will be pressing for large claims in order to compensate for higher oil prices and to benefit from the higher productivity in most sectors.

Employers and Government officials, however, have warned that large wage claims would result in drastic cutbacks in investment programmes, which in turn would lead to increased unemployment. A low, stable unemployment rate can thus be used by the Government to demonstrate the benefits of moderate wage increases.

Swiss at top of world savings table

By John Wicks in Zurich

THE SWISS have the world's largest per-capita bank savings, according to the International Savings Bank Institute in Geneva. At the end of last year, the average savings account in Switzerland equalled \$15,033. This is well ahead of the per-capita figure of \$13,305 in Japan, second on the Institute's list.

Belgium is in third position with \$6,331 per head, followed by Austria (\$4,885), West Germany (\$4,776) and the U.S. (\$4,685).

Who else has...

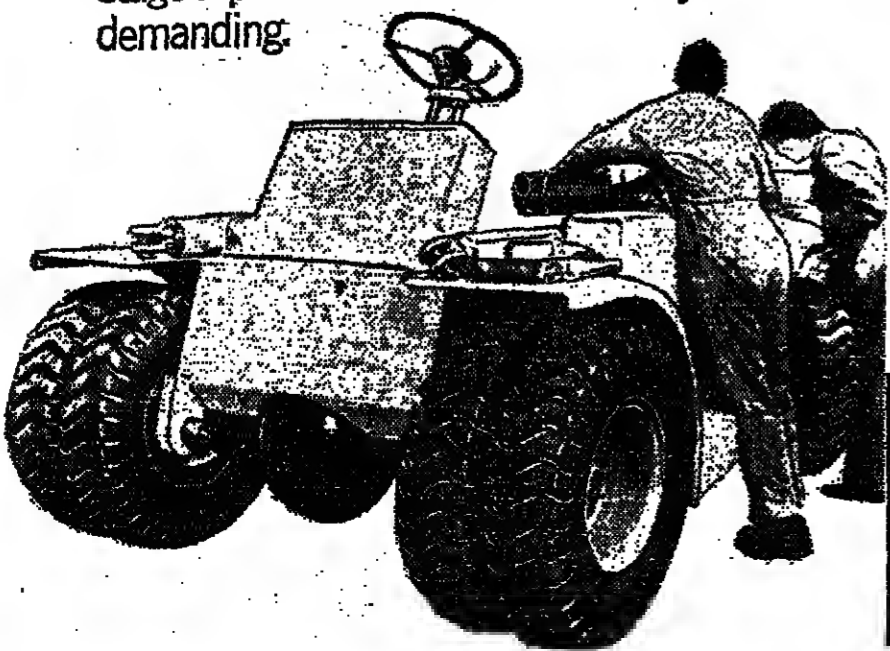
...50 years' materials handling experience

Hyster's experience is unique. And it shows. In our wide range. In our appreciation of your requirements. And in our no-nonsense designs that save you time and money. So, if you're looking for a lift truck that offers higher productivity and lower materials handling costs—without sacrificing quality or safety—you're looking for Hyster.



and 3 manufacturing plants in Europe*

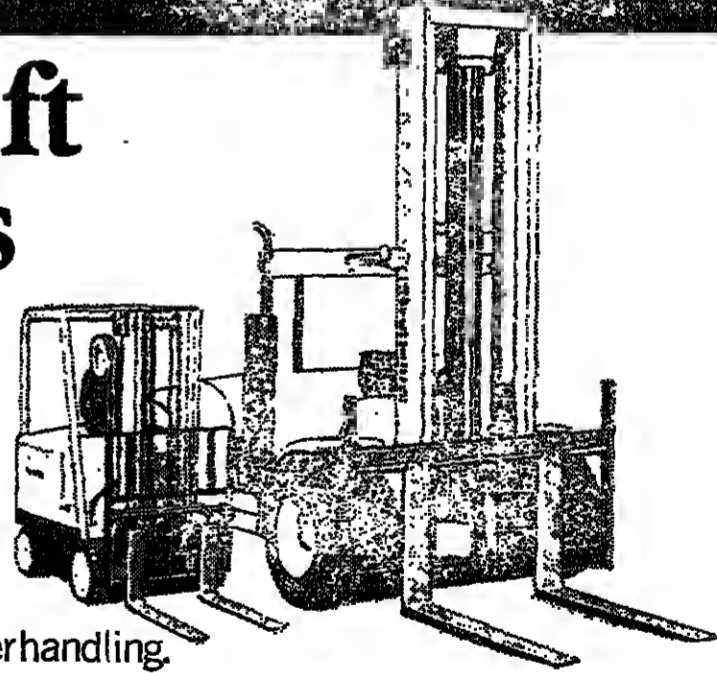
With 3 plants in Europe, of which the largest is in Scotland, Hyster has the manufacturing capacity to deliver. And the manufacturing flexibility to cater for your individual requirements. Truck designs are subjected to the most punishing tests and stringent quality control procedures govern every stage of production. All to ensure that your truck will get the job done, however demanding.



*A FOURTH MANUFACTURING PLANT IN EUROPE—THE SECOND IN THE UK—NOW UNDER CONSTRUCTION

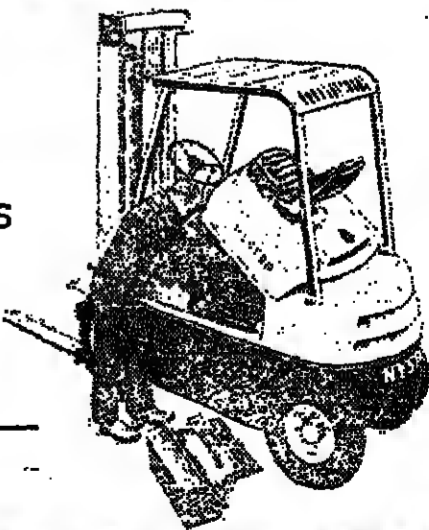
and over 70 lift truck models

To ensure you get the truck you need, Hyster offers over 70 different models. With up to 37 tonnes lifting capacity. Cushion or pneumatic. Petrol, diesel, LP-Gas or electric. And a wide ranging choice of other options to custom-tailor the truck to your particular application. Everything from indoor warehousing to outdoor container handling.



and 17 Customer Service Centres in Britain?

Naturally, quality products deserve quality back-up. So Hyster takes great care to select dealers who have the capability to meet your requirements. Extensive knowledge of materials handling applications. And all the facilities you need. So that you obtain first-class after-sales service on your doorstep. Check for yourself. Today.



Manufactured in Britain by Hyster. Sold and serviced in Britain by:



Barlow Handling Limited
Head Office: Airfield Estate,
Maldenhead, Tel: Littlewick Green 2151

In Ireland by:
A.H. Messer Ltd., Tel: Dublin 364511,
Belfast 617126, Cork 508624

HYSTER Check for yourself

IRAN: THE AYATOLLAHS TAKE OVER

Crisis adds to worries over energy supplies

BY RAY DAFTER, ENERGY EDITOR

UNCERTAINTIES about oil supplies and prices are now occurring almost daily and the Western world is entering the winter with as much doubt about energy supplies as it had at the end of last winter.

Iran remains at the centre of the uncertainty. Through Mr. Ali Akbar Moftari, until yesterday the country's Oil Minister, Iran has said that it might cut off oil supplies to the U.S. if demands for the return of the Shab are not met.

Such a move would cut U.S. supplies by about 400,000 barrels a day, some 5 per cent of the country's imports. If the embargo was broadened to include U.S. oil companies, the impact on world supplies would be even greater. These companies have recently been lifting Iranian crude at the rate of about 500,000 barrels a day. If other countries outwardly supported the present U.S. stance of staunch resistance to Iran's demands, Iranian exports might be trimmed even further.

Any significant reduction in Iranian production, now running at about 3.5m b/d, would send a shock wave through the oil industry. As it is, Iran is producing oil at a rate some 700,000 b/d less than it was managing in May and June this year, and more than 2.5m b/d less than was being achieved in 1978 before the revolution.

Not all of this oil reaches the world markets. Between 600,000 and 700,000 b/d is retained for internal energy use. Of the remainder which is exported, up to 1m b/d has been switched from the contract market to the more volatile, but, to Iran, more lucrative, spot market.

It is an indicator of the Western world's uneasiness about future oil supplies that Iran has felt confident enough to ask a seemingly outrageous price of \$50 a barrel for spot cargoes of its Iranian light crude. Industry reports suggest that it has already obtained \$45 a barrel from customers hoping for assured term contracts next year. Japanese and European buyers are said to be prominent customers of Iranian spot market crude.

Recent analysis of major Western energy companies has suggested that there could be even less Iranian crude in the world market next year, even without politically-inspired production cutbacks.

A number of companies had expected Iranian output to average about 4m b/d this year and next. However, they have been growing increasingly concerned about the lack of maintenance work in the oil fields, on pipelines and at the export terminals. Consequently it is now felt that Iran may not be able to sustain an output of more than 3.5m b/d. At least one major company has accepted that the production level might be nearer 2.5m b/d.

Even this lower level might not be too disruptive to world-wide supplies, provided it is accompanied by similar production restrictions among other major exporters.

Shell Oil in the U.S. has made a new analysis of world supply and demand and come to the surprising conclusion that States belonging to the Organisation of Petroleum Exporting Countries could reduce their average production next year by about 2.5m b/d to 29m b/d. The



Ayatollah Khomeini's son, Ahmad (in gown), stands on the U.S. Embassy wall to address students.

estimate arises from an expected substantial slowdown in world economic activity and a rise of about 1m b/d in output from non-OPEC countries.

Already Shell Oil has found that demand in non-Communist countries in this current quarter is about 2m d/b lower than expected just prior to the Iranian crisis.

Even so, there is expected to be little relief from the pressures and uncertainties that dog the oil market. The International Energy Agency has now become convinced that the world must assume that OPEC oil production will never reach higher levels than at present.

That means there is only one way for OPEC exports to go—downwards. What worries energy planners is that the drop could be sudden, perhaps coinciding with a period of high demand or low stock levels. There have been ample warn-

Firmly committed to non-aligned course

BY OUR FOREIGN STAFF

IRAN'S unilateral abrogation of Monday of its defence pact with the U.S. and emancipation of its main treaty with the Soviet Union have at a stroke cut its most important foreign links and set it firmly on the non-aligned course announced after the February Revolution.

The termination of the 1959 pact with the U.S. removes Iran from the protection of the American nuclear shield. The official Pars news agency also announced on Monday that Articles Five and Six of a friendship treaty signed in February, 1921, between Iran and Moscow were "no longer

applicable and therefore cancelled."

The articles theoretically gave the Soviet Union the right to intervene militarily if a third country were to establish a military base on Iranian soil "as a base of operations against Russia."

The 1921 treaty as a whole has not been cancelled and indeed, is reinforced by the Iran-Soviet Treaty of 1927. It would appear at first sight that the Iranian authorities have not been even-handed in their treatment of Washington and Moscow.

Mullahs run shadowy new ruling body

BY ANDREW WHITLEY

Iran is now run by a Government whose size, personalities and methods of operation are unknown either at home or abroad. This follows the announcement yesterday that the country's Revolutionary Council had formally taken over the reins of power, instead of operating from behind the scenes.

The conduct of international relations and the handling of critical domestic issues such as oil, employment and security, would appear to demand the naming of individuals entrusted with these tasks. But the habitual veil of secrecy, drawn ostensibly for security reasons but yet to be lifted from the council's membership.

However, from the leaks and indiscretions to emerge from Qom—more than ever the political powerhouse of Iran—and from Tehran, the official capital, a reasonably accurate picture of the Revolutionary Council can be constructed.

Ayatollah Khomeini is undoubtedly the council's leader, though he probably has an ex-officio position rather than a direct role as chairman of its meetings.

In his absence the council is probably run by Dr. Ebeheshti, a senior cleric who has spent some years in West Germany and speaks both German and English. Ayatollah Beheshti, as he is generally known, is the head of the Islamic Republican Party, the most powerful grassroots political organisation in Iran. He is also a leading light in the Council of Experts drafting the country's new constitution.

Other key figures in the leadership are Khomeini's son-in-law, Hojaniism Estraq—a radical believed to have the ear of the unofficial head of state—and the Ayatollah's son, Ahmad. On his public record, Ahmad has gone against the trend in detesting unpopular causes, such as the rehabilitation of prostitutes, and generally taken a more moderate stance than his colleagues on social and political issues.

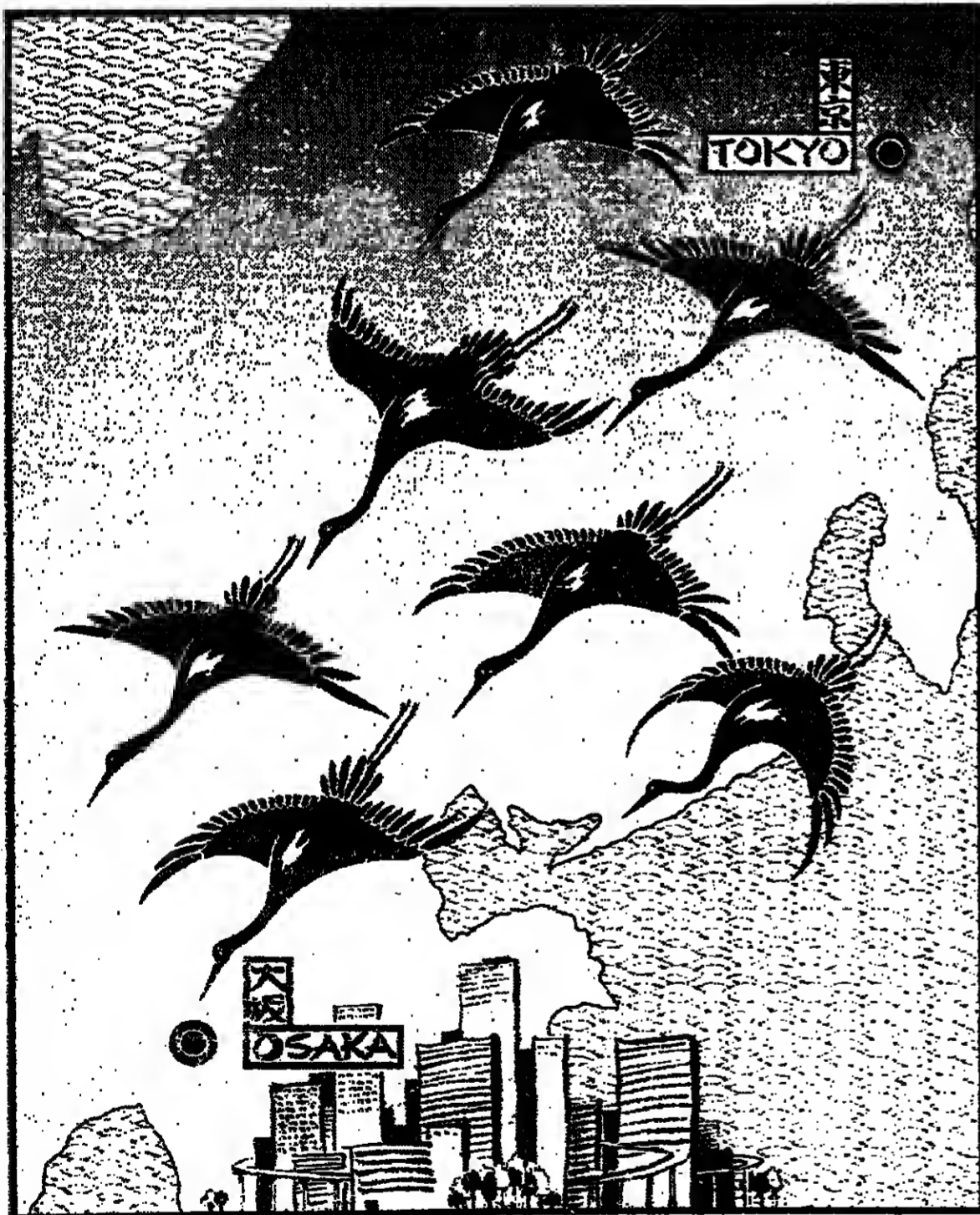
The clergy are generally believed to make up two thirds or three quarters of the 15 to 20 members of the Council. But while many foreign analysts think the Council is divided into factions, based on differences over tactics as well as straightforward personal rivalries, there is no agreement about where the dividing lines are drawn.

A group of "Young Turks" who believe passionately in Khomeini's concept of the rule of the theologians, emulating the experiment of the Prophet's son-in-law Ali in the seventh century, appears to be set against a more pragmatic school aware of the dangers that this approach could pose for national unity and continuation of the revolution.

Only four or five laymen are believed to be represented on the council. Of these several like the council's economic adviser, Abolhasan Bani-Sadr, have long-standing clerical connections. Among the others are thought to be the broadcasting chief, Mr. Sadeq Ghotbzadeh, and the outgoing Foreign and Defence Ministers, Dr. Ibrahim Yazdi and Mr. Mustafa Chamran.

Editorial comment, Page 22

Now JAL offers you Osaka four days a week.



Every Tuesday, Wednesday, Thursday and Sunday afternoon, you can now fly by 747 over the Pole from London to Osaka. And enjoy incomparable JAL in-flight service all the way. Our schedules may change but our service doesn't. It's still the same gracious hospitality and quiet courtesy. And the food and drink are just the same; nothing but the best.

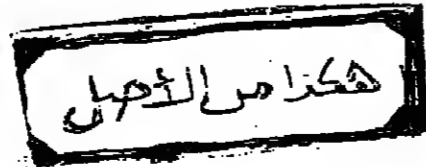


So let JAL smooth the way to Osaka for you. And feel comfortable in the knowledge that we'll carry on helping you in Japan. With the JAL Executive Service. It provides, amongst other things, business cards and books, a business information service and arranges for first-class hotels to give you a special room rate and other privileges. If you'd like to know more about JAL's many services in the air and on the ground, contact your travel agent or Japan Air Lines.

The way we are is the way we fly.



JAPAN AIR LINES



Japan Air Lines, 6 Hercules Street, London W1P 0DR. Telephone London 01-629 9244. Birmingham 021-6431263. Manchester 061-632207. Glasgow 041-221 6222.

OTHER OVERSEAS NEWS

Increase likely for Kuwait crude

BY OUR ENERGY CORRESPONDENT

KUWAIT is expected to announce a crude oil price increase of about 7.5 per cent in the next few days.

It will bring the cost of Kuwaiti oil to about \$23 a barrel—still within the limit set by the 13-nation Organisation of Petroleum Exporting Countries but more in line with the price of competitive crude oil produced by other Gulf States.

Kuwait raised the price of its crude oil by 10 per cent to \$21.43 a barrel in October. Sheikh Ali Khalifa Al Sabah, the Kuwaiti Oil Minister, said recently: "Our problem is that with the current market situation, spot prices are \$40 to \$45 a barrel.

"Under what circumstances, if someone wanted to buy a product at \$45, would you sell it for \$21?" Kuwait had not raised

its price before, because it was anxious not to stimulate price leap-frogging, he added.

But in recent weeks, a number of producers, including Nigeria, Algeria, Libya, Norway and the UK, have imposed increases which have taken contract prices beyond the \$23.50 OPEC ceiling.

AP-DJ adds: Intensification of already acrimonious relationships between Iran and the U.S. has bolstered prices for spot crude oil, although nothing that could be called panic buying has yet occurred.

Sellers of both spot crude oil and oil products have either withdrawn from the market to await developments which they feel could result in sharply higher prices, or they are offering at levels the market is so far reluctant to concede.

Arabian light crude, the marker crude of OPEC countries, is generally valued at between \$38 and \$39 a barrel, up about \$1 a barrel from last week.

While no large purchases have been made by a single buyer in the past week, a steady stream of smaller transactions has been dominated by offerings of Russian Urals crude, which has sold at \$37-\$38 a barrel, and Italy and Egyptian Suez blend, at \$36.50-\$36.75 a barrel.

Other prices mentioned include \$37.50 a barrel for Dubai crude, \$37.25 for Arab medium and \$35-\$36 for Arab heavy.

A cargo of Iranian mix was said to have changed hands at \$38 fob for light and \$36.50 for heavy.

Sharon in row over settlement

By David Leonon in Tel Aviv

MR. ARIEL SHARON, Minister in charge of settlements, yesterday accused the Defence Ministry of deliberately proposing unsuitable alternative sites for the Eilon Moreh settlement, near Nahalut, on the occupied West Bank of the Jordan.

He said this could lead to confrontation between the settlers and the army which, in turn, could lead to the resignation of Mr. Menahem Begin, the Prime Minister.

The Supreme Court has ordered Eilon Moreh to be dismantled and has said the land requisitioned illegally for the settlement should be returned to its Arab owners by November 22.

The Cabinet's inner defence committee which met yesterday in discussion of the settlement, ignored Mr. Sharon's accusation. It decided to empower the Defence Minister to negotiate with the settlers over temporary sites while the search continued for suitable land for a permanent settlement beside Nahalut, the West Bank's largest town.

Israel's Finance Minister pledges tough measures

BY OUR TEL AVIV CORRESPONDENT

TOUGH NEW economic measures to halt the deterioration in the economy and head-on confrontations with the trade unions could face Israel with the selection of a right-wing businessman as the new Finance Minister.

Mr. Yigael Hurwitz, 60, is expected to take up the post this week. He replaces his immediate predecessor, Mr. Simcha Erlich, who was unable to obtain Cabinet backing for his plans to cool the overheating economy which was the result of his economic liberalism.

Mr. Hurwitz has promised that he will act speedily and painfully to halt the country's slide into economic anarchy. He is determined to stop the growth in the balance of payments deficit which should set new records by the end of the year, and to fight inflation which has reached 100 per cent and is accelerating.

Mr. Hurwitz's medicine is orthodox: slash public spending, abolish government subsidies on basic foodstuffs, road transport, and force people out of the civil service into industry.

The new Finance Minister has resigned twice from the Begin Government, where he originally served as Minister of Industry, Trade and Tourism. He quit first in protest at government overspending, and the second time when Israel accepted the Camp David peace accords with Egypt.



Mr. Yigael Hurwitz—orthodox medicine

South Africa backs maize ban

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICAN Government officials have expressed approval of Zimbabwe Rhodesia's decision on Monday to halt the shipment of maize through its territory to Zambia.

Pretoria's attitude appears to be that the Rhodesians have been sufficiently provoked by guerrilla attacks on their transport links to justify their action. "This has been cooking up for a long time. It is perfectly understandable that the Rhodesians have reacted in this way," a Government spokesman said yesterday.

After Zambia purchased 0.2m tons of maize from South Africa last month, it was hoped the security situation in Zimbabwe Rhodesia might allow trains to operate at night on the Victoria Falls route. But this has proved impossible, and South African Railways have been sending only about 1,400 tons of maize a day to Zambia.

The trucks which have been carrying maize for the past few weeks will now be allocated to other goods for Zambia. Especially fertilizer. There is also a long waiting list for the ship-

ment of general goods to Zambia, and South African Railways hopes that the security situation permitting, the extra trucks now available will enable it to work off some of this backlog.

Tony Hawkins, aide from Salisbury, Zimbabwe Rhodesia confirmed yesterday that Zambia and Zairean copper exports using the southern route through Rhodesia to South African ports will not be affected by Salisbury's ban on maize shipments.

مكتبة من الأعمال



"MOST OF OUR VITAL PEOPLE
 WERE HAPPY TO MOVE HERE
 THAT'S WHY WE PICKED
 MILTON KEYNES
 THE BUTTERFLY LIVES THE
 PLACE, TOO."

TOM BISHOP, MANAGING DIRECTOR, BENTLEY & BENTLEY

run
 new
 dy

 wait cru

 ice Minist
 measure

 nize ball

Rosalynn Carter flies to Thailand

By David Buchan in Washington

MRS. ROSALYNN CARTER is flying to Thailand today in a show of U.S. Administration concern over the plight of refugees from Cambodia, and Thailand's growing problems in coping with the influx.

The White House announced yesterday that Mrs. Carter would be accompanied by the U.S. Surgeon-General, the top U.S. medical officer.

The purpose of her visit would be "to learn of the needs of the refugees fleeing Cambodia, look at ways to increase the flow of relief supplies and food into Cambodia, and report her findings to the President in order to accelerate effective support for the international relief programme," the White House said.

The announcement of the visit came a day after the U.S. formally pledged at the United Nations a \$65m contribution to Cambodian relief, and the Phnom Penh Authorities had disclosed they would allow relief to be shipped up the Mekong River. But they still resist the establishment of "a land bridge" for relief to Cambodia from Thailand.

This is perhaps the most important diplomatic mission yet for Mrs. Carter. She will visit refugee camps and hold talks with Gen. Kriangsak Chamanan, the Prime Minister of Thailand.

Reuter adds from the United Nations: Dr. Kurt Waldheim, the UN Secretary-General, said yesterday he was gratified by the response of world governments, which have promised more than \$210m in aid for Cambodia.

In Bangkok, it was reported that a three-member UN mission will arrive next week to monitor events along the Thai-Cambodian border.

THERE HAS been a rapid build-up of naval forces off Asia in recent years. The Soviet Union keeps 75 major ships and 105 submarines, over a quarter of its growing blue-water navy, in its Pacific Fleet, based in Vladivostok.

China, which still has a mainly coastal navy, now has the largest force of fast attack craft in the world. It also has

Where the 'blue-water navies' are building up rapidly

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

the third-largest submarine fleet.

The U.S. Seventh Fleet, which covers the West Pacific, includes two aircraft carriers, one based in Japan, and around 20 major surface combatants. Submarines, auxiliaries and amphibious craft bring the U.S. fleet up to about 50 ships.

U.S. strategy has always

attached high priority to having naval superiority off Asia. With the notable exception of South Korea and the notorious one of Vietnam, it sees its sphere of interest as bounded by the archipelago running south from Japan, through Taiwan and the Philippines, to Indonesia.

Within this area, the Seventh Fleet's two carrier

task forces and its 165 carrier-borne aircraft have long made it a formidable military force. Further, the U.S. can call on its large, if distant, Third Fleet, in the East Pacific for reinforcements. This is twice as big as the Seventh Fleet.

However, the Soviet ocean-going fleet has recently been strengthened by the arrival of the Minsk, a 40,000-ton air-

craft carrier, of a Kara class guided missile cruiser, and some Krievak class guided missile frigates. Western intelligence officials estimate that 105 of the Soviet Union's 325 submarines are deployed with the Pacific Fleet, as are nearly 300 naval aircraft.

The Russians' great problem is reaching the oceans. Japan lies between Vladivostok and the open sea. It

is a measure of Soviet determination to end what Churchill once called the "Punch on the giant's nostrils" that they have been prepared to sacrifice a peace treaty with Japan, rather than relinquish claims to various islands off northern Japan between which run straits from the Sea of Japan to the Pacific. In the past five years, the Russians have transferred

some facilities north-east, to Petropavlovsk - Kamchatsky. Like Vladivostok, this is not ice-bound in winter, but it also has direct access to the North Pacific. Soviet strategic submarines are now based there.

The Russians can count on few friendly ports of call nearby, although they have been offered limited facilities at Cam Ranh Bay in Vietnam.

U.S. keeps alive its intimate Asian connection

BY DAVID BUCHAN IN WASHINGTON

"YOU Europeans often forget the U.S. is a Pacific nation as well as Atlantic," a State Department official commented last week. He could have added that in the immediate wake of Vietnam, many Americans also chose to ignore this geopolitical fact of life.

But the Carter Administration's concerned reaction to the recent dramatic assassination of President Park of South Korea, and in particular its swift warning to North Korea not to try to exploit it with any strong-arm tactics against the south, has served as a reminder that the U.S. still sees many of its strategic interests intimately bound up in Asia.

To a degree, South Korea is special. It is the only place on the Asian mainland where the U.S. still has any sizeable contingent of troops—38,000 of them. The reason they are there is partly historical.

Having helped create in the non-Communist south of the Korean peninsula a highly successful independent state and the U.S.'s second biggest Asian trading partner, Washington does not want to see it submerged by or subsumed into the bellicose Communist Government of President Kim Il Sung. In fact North Korea's large armed forces have barely moved a muscle, and there is no evidence linking North Korea

with the assassination. President Kim's Government recently invited a number of U.S. Congressmen to visit the country. Even North Korea's rejection this summer of a U.S.-South Korean initiative for talks was not harsh enough to be taken by Washington as absolutely final.

However, not so long ago North Koreans were discovered tunnelling under the Demilitarised Zone (DMZ) which has separated the two sides since the Korean War. U.S. officials see no Chinese or Soviet interest in rekindling a Korean conflagration, but equally they point out that North Korea could probably fight quite a long war without outside help.

By contrast with the consumer-oriented south, North Korea has defence industries that are more or less self-sufficient. North Korea is now spending 20 per cent of its national output on defence. It has built up a war machine that has more men than the south, a two-and-a-half to one advantage in tanks, and more, though not better, aircraft.

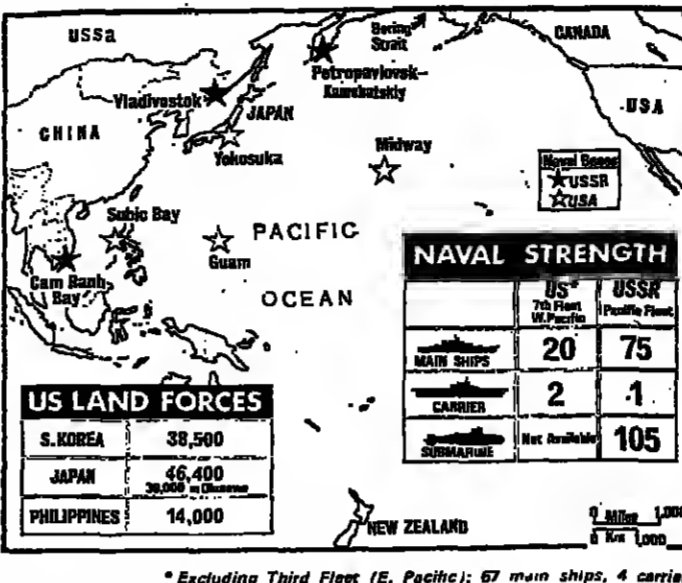
In this context the relatively small number of U.S. troops in South Korea are there as a deterrent; defence in depth is hardly an option when the capital, Seoul, is only 24 miles from the Demilitarised Zone. Not the number of U.S. troops

does matter psychologically. When U.S. intelligence confirmed this summer that North Korea's army was much bigger than it previously estimated (40 divisions instead of 29), the Carter Administration decided it was politically impossible to continue its plan gradually to pull out 26,000 of its troops.

The decision to freeze the level of U.S. troops is to be reviewed at the end of 1981, even though the U.S. may have another President by then. This will be done in the light of the prevailing military balance on the peninsula and of South Korea's military progress by then. The U.S. is now helping the South set up production of the F-5 fighter and to design a new tank.

In view of this considerable U.S. military investment in South Korea, it is inconceivable that Washington will not want to shape the political succession to President Park, and in particular to ensure that a new leader does not sow the seeds of his own destruction as the authoritarian Mr. Park did.

South Korea also fits into a wider jigsaw of American interests because of its proximity to Japan, the U.S.'s treaty ally, its largest Asian trading partner and frequently referred to by officials in Washington as "the cornerstone of U.S. policy



in Asia." Tokyo was deeply anxious about the proposed troop withdrawals from South Korea, most relieved when they were frozen in July, and now, like the U.S., a little nervous about South Korea's future path.

Japan is doing more in its own defence these days, a development welcomed and indeed urged by the U.S., which still affords Japan the protection of its nuclear umbrella.

specifically did not have the long-range refuelling capability they usually carry. It is still up to the U.S. to provide regional security.

It would thus be out of the question for Japan to plug any gap left by departing U.S. troops from South Korea, which still has bitter memories of occupation in the war. U.S. troops are not in Korea solely to defend Japan, a State Department official adds, however. It is also held to be in the general U.S. interest to prevent any flare-up to a key part of the world where China, the Soviet Union and Japan all converge.

Further south in Indo-China, there is already a raging military competition going on between China and the Soviet Union. There is little the U.S. can do to influence this, and there is almost a temptation in Washington to sit back and watch passively while the rival Communist clients, in Vietnam and Cambodia, together with their rival Russian and Chinese patrons, carry on fighting it out.

But for the several reasons the U.S. cannot be complacent. The appalling plight of the refugees steadily driven out of Vietnam and of the victims of the fighting in Cambodia is the top concern of the Carter Administration.

Secondly, there is the spill-over from the Indochina conflict

to non-Communist neighbours, and in particular the five countries making up the Association of South East Asian Nations (ASEAN): Malaysia, Thailand, Singapore, Indonesia and the Philippines.

All five countries have been strained to one degree or another by the influx of Indo-Chinese refugees and "Boat People" from Vietnam, and the U.S. has increased economic aid and military sales to ASEAN in general.

But much the weakest link in the chain, in Washington's view, is Thailand, right on the edge of the fighting and in dire danger of getting sucked in. Thailand is "like an accident waiting to happen," said one U.S. official gloomily last week—adding that if the Vietnamese wanted to take Bangkok, the Thai army alone could not stop them.

Thailand has a defence treaty with the U.S. and some ASEAN leaders like Prime Minister Lee Kuan Yew of Singapore have inferred from the U.S.'s recent bolstering of South Korea, a generally stronger U.S. commitment to its Asian friends.

But officials in Washington caution that, in the U.S. political climate, keeping U.S. troops in a part of Asia where they already are is one thing; re-introducing U.S. forces into Asia is quite another.

Strauss to become chairman of Carter re-election committee

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

MR. ROBERT STRAUSS is to resign as President Carter's special Middle East negotiator to become chairman of the Carter-Mondale re-election committee.

He may be replaced in the Middle East post by Mr. Sol Linowitz, the Washington lawyer well-versed in foreign affairs who was principal U.S. negotiator on the Panama Canal treaties.

Mr. Strauss has been hinting in the past week that he might switch to a full-time political role. This is not so much because of dissatisfaction with the slow pace of the talks between Israel and Egypt or of disagreements with the State Department over the conduct of policy, but because of his belief that President Carter can win the election.

Recently, he said in the New York Times that he was under "an awful lot of pressure" from members of Congress to become directly involved in politics.

"They say the campaign is more important to the U.S. than anything else. Even the peace in the Middle East is dependent on Carter," he declared. "If Mr. Linowitz is appointed to the Middle East post, it is



Mr. Robert Strauss

unlikely to denote any change in U.S. policy in that sphere, nor does it imply that the Administration is downgrading the importance of the Egyptian-Israeli dialogue.

There is a consensus that Mr. Strauss has one of the best political brains in the country. He rebuilt the Democratic Party after Senator George McGovern's landslide defeat in 1972 and, though not initially enamoured

of Mr. Carter as a candidate, was a key strategist in the 1976 victory.

In the past three years he has served as the President's all-purpose political handyman. His nominal titles—chief inflation fighter, special trade representative, Middle East peace negotiator—disguise the fact that he has had a role in almost every major political issue.

Certainly, the greatest testament to his political effectiveness was Congressional passage of the controversial Trade Bill this year, with fewer than 10 votes against.

In the campaign it is expected he will operate as chief spokesman, fund-raiser and general strategist, capitalising on his flawless contacts with the Democratic establishment.

He would work side by side with Mr. Tim Kraft, the former Presidential appointments secretary, now campaign manager with responsibility for field operations, and Mr. Hamilton Jordan, Chief of the White House Staff.

One of the most gregarious of men, Mr. Strauss remains on good terms with Senator Edward Kennedy, who is to announce his Presidential candidacy in Boston today.

Bolivia coup leader 'will not resign'

By Robert Lindley

COLONEL Alberto Natusch Busch, who has declared himself provisional President of Bolivia, has rejected Parliamentary calls to resign and continued armed attacks on his opponents.

Tanks and aircraft attacks have brought the death toll among protesting students and workers to more than 50 and the number of wounded to more than a hundred.

The Bolivian Red Cross has made an urgent call to the organisation's international committee to send a delegate to coordinate rescue and life-saving operations.

Col. Natusch said in a 90-second statement on the official television and radio network that the armed forces "will not give a single step."

President Walter Guevara Arze, who was deposed last week by Col. Natusch, is still in hiding. He said he had no intention of resigning.

Reuter adds from San Salvador: The Marxist Popular Revolutionary Bloc and the civilian-military junta have begun negotiations for the release of three El Salvador Government ministers held hostage for 13 days.

In Caracas, a 10-year-old boy was killed and two policemen and two youths were wounded in fighting between demonstrators and Venezuelan security forces on Monday.

Police have had running street battles with demonstrators in Caracas since October 25, when violence broke out during a march by workers and students demanding an increase in the minimum wage.

Senate approves ban on foreign bank acquisitions

BY STEWART FLEMING IN NEW YORK

THE U.S. Senate has approved a proposal by Senator H. John Heinz III providing for a six-month moratorium on U.S. banks being acquired by foreign banks.

The proposal cleared the Senate on Friday last week without publicity, having been slipped into proposed legislation aimed at phasing out Regulation Q interest rate ceilings on bank deposits.

The proposal is a long way from becoming law, since there is no similar legislation in the House of Representatives. There is doubt about whether such a provision would be approved, or whether the conference between the House and Senate on the provisions of the Interest

Rate Ceiling Bill will accept the moratorium clause.

On the other hand, the fact that the Senate approved the clause is further evidence of Congressional unease about the wave of bank takeovers in the U.S., which reflects in part the concerns of sections of U.S. banking.

The atmosphere surrounding acquisitions by foreign banks will lead to federal regulatory agencies examining applications to take over U.S. banks particularly closely. At present, one major acquisition, the Hong Kong and Shanghai Banking Corporation's bid for control of Marine Midland Bank of New York, has still to receive final approval.

'Overcharging' accusation against oil companies

BY IAN HARGREAVES IN NEW YORK

THE U.S. oil industry, already under vigorous attack after the announcement of big increases in third-quarter profits, is to face charges that customers were overcharged more than \$1bn between 1973 and 1976. Details of the alleged overcharging are expected to be released in the next few days by the U.S. Energy Department.

They stem from the accusation that the nine oil companies involved fed into their retail prices during the period in question certain non-allowable costs, such as the costs of anti-pollution equipment.

It is also possible that in the next few weeks more charges

will be brought by the Energy Department concerning the 1973-76 period, when the industry was supposed to be acting under the terms of price control legislation.

Of the nine companies, Mobil is accused of the most serious overcharging, with an alleged irregularity of \$270m. The Government will seek repayment of the sums involved to customers.

The oil industry, however, scored a victory on a different matter, when a special court judge refused to block the Interior Department's proposed sale of oil exploration leases for George's Bank, off Massachusetts.

The dynamic network.

Burroughs Network Architecture lets you use the combined resources of all your computers from any location.

Burroughs Network Architecture offers new dimensions in distributed data processing. It lets you develop national and international data networks in which each participating computer or terminal can access all the data files and all the processing power in the network.

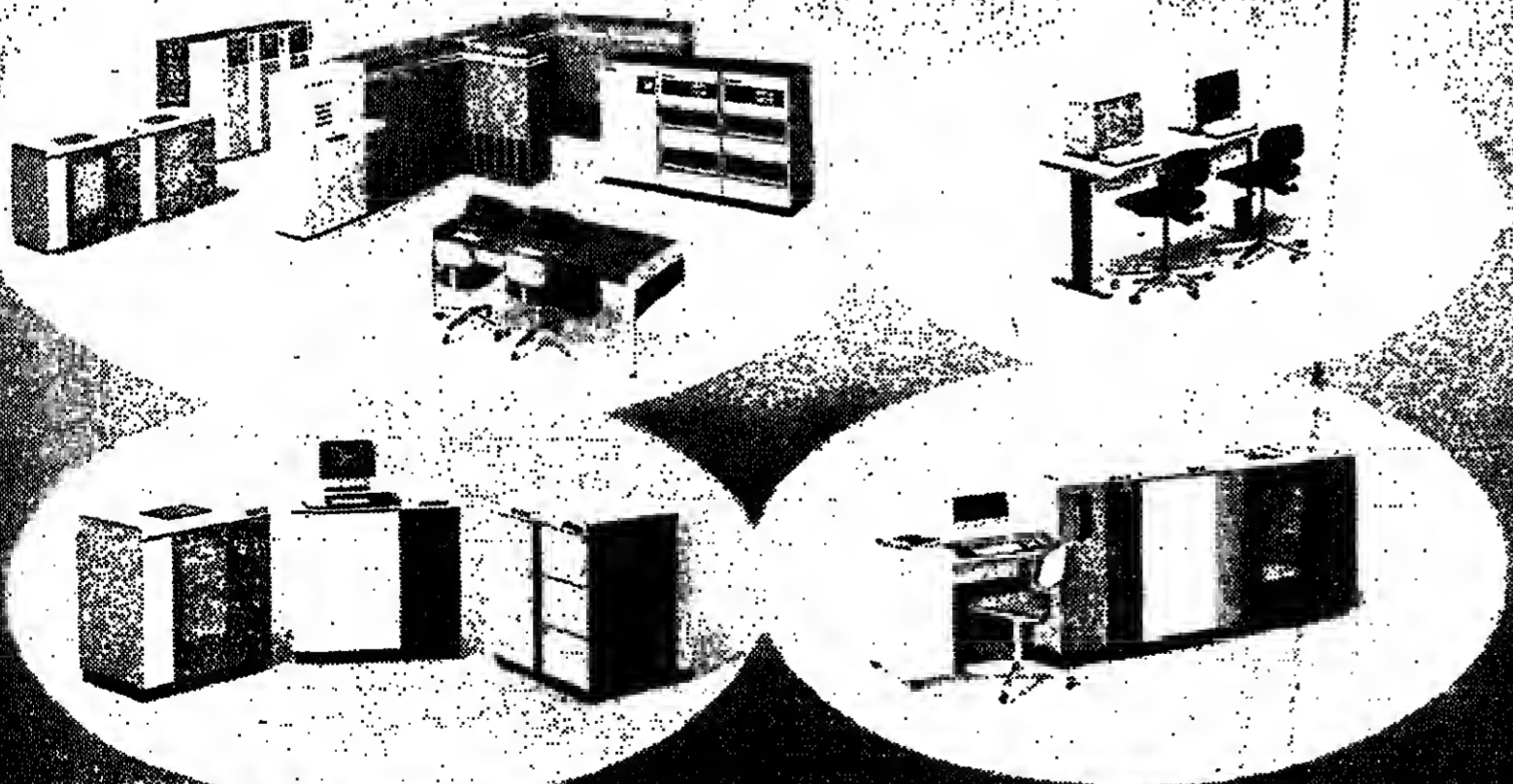
Data files such as sales orders or production schedules, and tasks such as inventory updates or report writing can be transferred from one machine to another throughout a BNA network.

BNA can be used with existing Burroughs computers. Systems in a BNA network can also communicate with other manufacturers' systems networks—important if you have a mix of computers. Burroughs computer users can take advantage of

BNA without obsoleting their programming investment. This powerful networking capability can be implemented without affecting the basic structure of existing application programs or data communications and network control programs.

And remember, when you buy a Burroughs system, you get more than just equipment. You get our 90 years experience in information management. Plus system software, application programs, training and system support—even the business forms and supplies you need.

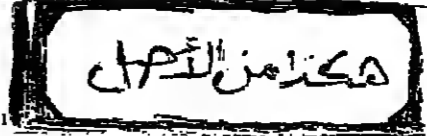
For additional information, call your local Burroughs office or contact Burroughs Machines Limited, Department PRA, Heathrow House, Bath Road, Hounslow, Middlesex, England TW5 9QL.



Burroughs

هكنا من الذمحل

Mexican favours... U.S. to 2... Selmcourt in... future talk... SWISS fabric... Daily delays E...



Mexican Government favours GATT membership

BY WILLIAM CHISLETT IN MEXICO CITY

THE MEXICAN Government has publicly declared itself in favour of joining GATT (the General Agreement of Tariffs and Trade). And it has asked all the country's private sector and state organisations to communicate their views on the subject so that a final decision can be taken before May 31, 1980, the deadline set by GATT in agreement with Mexico.

entry. It is now a matter for the Mexican Government to persuade the reticent private sector of the merits of joining. The private sector, particularly the manufacturing industries, have been campaigning against joining, arguing that membership will harm the country's development and put companies out of business. There has, however, been a noticeable softening of their criticism in the past months.

development—"not only thinking of the near future, but in the long term." He was careful to emphasise that membership would not mean a change in the Government's policies, particularly its present conservative approach towards selling the country's immense oil reserves. He also indicated that not all import licences would disappear. GATT membership, he predicted, would stimulate industry to be more efficient and more competitive.

U.S. to adjust Japan TV duties

WASHINGTON—The United States Customs Service has issued a series of legal rulings that could lead to a substantial reduction in the penalty duties assessed earlier on imports of Japanese-made colour television receivers.

What the Customs Service has decided so far, with regard to the protests by U.S. importers and Japanese manufacturers is that the \$46m assessed thus far against the imports, during the period up to about mid-1973, were too high, because the U.S. agency had failed to allow for certain price adjustments for sets sold in the Japanese home market.

officials, having conceded that some adjustments will be required in the previously-assessed penalty duties, still do not know how much the \$46m total claimed on the sets imported up to mid-1973 actually will be scaled down.

Selincourt in joint textile venture talks with China

A TEAM from Selincourt, the UK textiles and clothing group, has begun detailed negotiations in Peking with Chinese officials on the establishment of factories to manufacture pile fabrics and curtain nets in China.

The company stressed yesterday that none of the products was expected to enter EEC markets, while Selincourt's own expansion plans in the UK would be unaffected. Selincourt would be responsible for selling the finished goods and has chosen North and South America as possible markets because of the difficulties of competing on price in these markets using goods produced in Europe.

Swiss fabric sales climb

THE MORE stable exchange rates in Europe are largely responsible for the improvement of business currently being experienced by the Swiss textile industry. According to Industrieverband Textil, the trade association, some 45 per cent of all orders received so far this year have come from abroad, compared with a 1975 share of only about 33 per cent.

production. Orders on hand have risen by as much as 60 per cent in spinning plants and 10 per cent for weavers with prices keeping up with volume. Improved production and stable prices have meant that turnover in the industry was some 12 per cent higher in July-September, 1979, than in the same three months last year.

Italy delays Boeing credit

ROME — The Italian Government has postponed a decision over whether to grant state export credits to help finance sales of the Boeing 767 jet aircraft.

estimated to total between L175bn and L350bn (£204.3m). Italian Government officials defended plans to extend the loans and said the step was a necessary part of a contract that is providing jobs for several thousand Italian workers in construction of the medium-range aeroplane.

American orders for Fokker

By Charles Batchelor in Amsterdam

THE DUTCH aircraft manufacturer, Fokker, said it has sold five 85-seat F-28 jetlets to two U.S. commuter airlines. Options on another six have also been signed.

Both contracts depend on the airlines raising the financing for the aircraft but this should be completed before the end of the year, a Fokker spokesman said.

Whisky exports fall but price rises boost overall earnings

BY CHRISTOPHER PARKES

THE SLIDE in Scotch whisky exports accelerated in September and is expected to have speeded up still further through last month because of the strikes which hit most of Distillers' (DCL) operations in October.

Exports of bottled whisky, accounting for 2 per cent of all export sales, went against the general trend. Malt exports jumped 40 per cent in volume and 58 per cent in value. The quantity of grain spirit rose 26 per cent, and income was up 40 per cent.

Cyprus expands communications

BY A SPECIAL CORRESPONDENT

CYPRUS will spend \$170m (£82m) between 1980 and 1983 to develop communications in the south.

will open next March. This is a joint venture between the State-owned Cyprus Telecommunications Authority (CYTA), the Cyprus Broadcasting Corporation and Cyprus Airways.

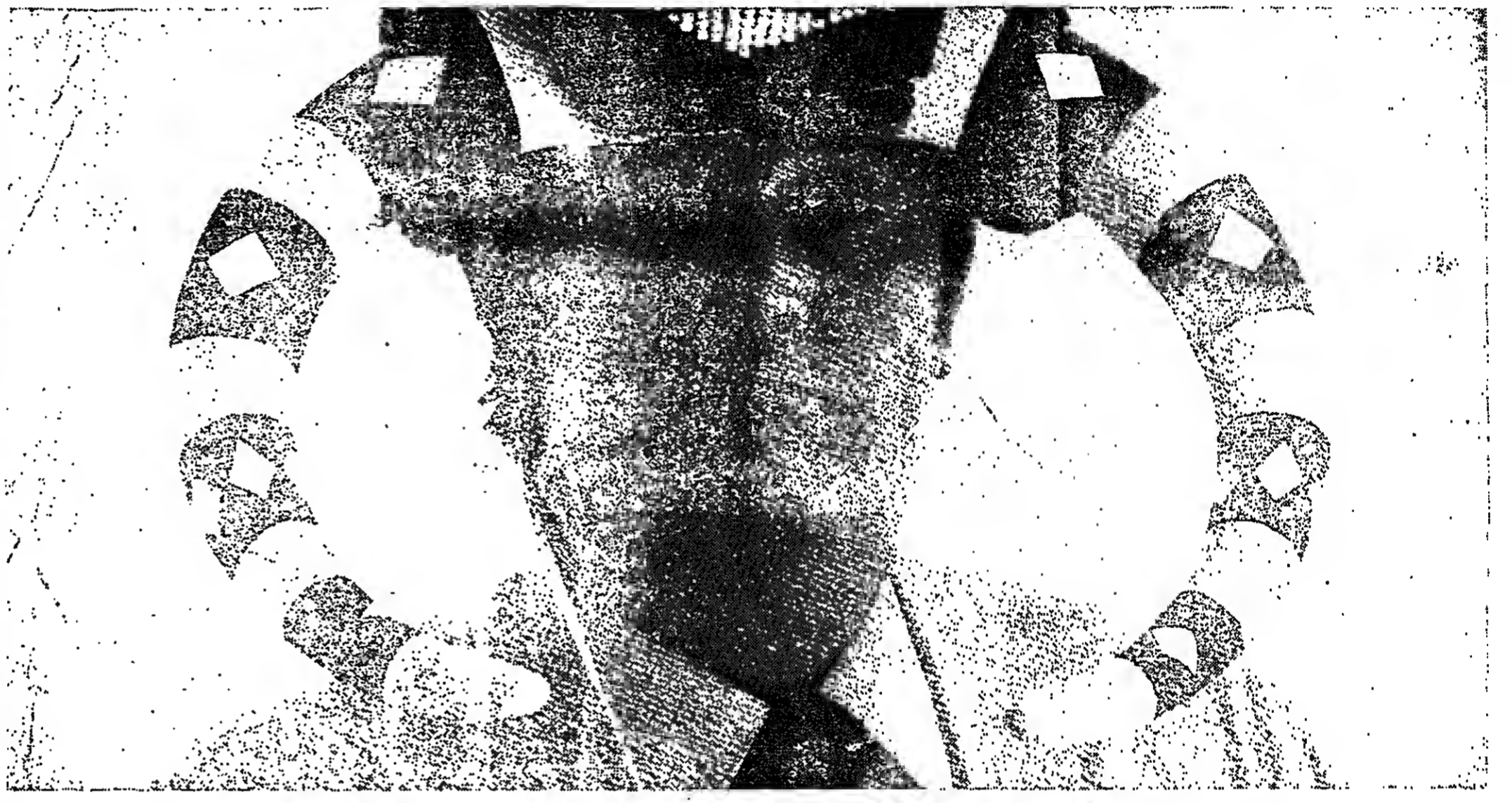
Occidental in Bulgaria accord

SOFIA—Occidental Petroleum of the U.S. and Bulgarian foreign trade organisations have signed a protocol on economic, industrial and technical co-operation for a 10-year period.

The co-operation protocol is envisaged as including design and construction of industrial plants and reconstruction and modernisation of existing Bulgarian chemical works, an official report said.

PAL to resume full flights soon

PHILIPPINE AIRLINES (PAL) expects to resume full domestic services on November 15 following faster delivery of spare parts by British suppliers.



David Taylor flew the flag to Johannesburg. What for?

For only £359.50 return. That's the low-season fare from Heathrow. Ask your Travel Agent or British Airways Shop for details of all our Poundstretchers—the fares that let you see the world without paying the earth.

British Airways

We'll take more care of you.



UK NEWS

U.S. plutonium for fast breeder tests

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN is to receive the first export of plutonium authorised by the U.S. Government since it introduced its Non-Proliferation Act last year.

The shipment, in the form of fuel pins containing about 34 pounds of plutonium, is coming to Britain next year. It will be used in an Anglo-American experiment on the safety of fast breeder reactors.

The exchange of plutonium was authorised by the White House, after more than two years of talks between the UK Atomic Energy Authority and the U.S. Department of Energy.

The agreement to carry out the experiment was signed in London on Monday, by officials of the UK Atomic Energy Authority and Dr. Charles Williams, the U.S. Department of Energy official responsible for nuclear policy.

Under its terms the U.S. fuel pins will be irradiated in the 250 MW prototype fast reactor at Dounreay, Scotland. The U.S. has no fast reactor facility on this scale available for fuel testing.

The aim of the experiment is to demonstrate how commercial-size fast reactors might be built more cheaply without reducing safety factors.

The irradiated fuel will be shipped back to the U.S. by the U.S. Government, for further experiments in Idaho Falls. The facility, known as Treat (transient reactor test facility), will expose the irradiated fuel to operating conditions violent enough to melt it. Britain has no such facility. The two teams' fast reactor designers hope to demonstrate that even if the fuel bursts, releasing fuel and radioactive gases into the molten sodium coolant of a fast reactor, it will not damage the reactor.

The fuel pins have already been fabricated, but on arrival in Britain must be fabricated into assemblies suitable for loading into the Dounreay reactor.

Dr. Tom Marsham, managing director of the UK AEA's northern division, which operates Dounreay, said last night that the agreement was "very good value for us." The authority had other ideas for collaborative experiments with the U.S. Government.

The agreement is for each party to pick up the costs incurred on its own side. No cash transfers are expected.

The fuel pins have already been fabricated, but on arrival in Britain must be fabricated into assemblies suitable for loading into the Dounreay reactor.

Dr. Tom Marsham, managing director of the UK AEA's northern division, which operates Dounreay, said last night that the agreement was "very good value for us." The authority had other ideas for collaborative experiments with the U.S. Government.

The agreement is for each party to pick up the costs incurred on its own side. No cash transfers are expected.

The fuel pins have already been fabricated, but on arrival in Britain must be fabricated into assemblies suitable for loading into the Dounreay reactor.

Dr. Tom Marsham, managing director of the UK AEA's northern division, which operates Dounreay, said last night that the agreement was "very good value for us." The authority had other ideas for collaborative experiments with the U.S. Government.

The agreement is for each party to pick up the costs incurred on its own side. No cash transfers are expected.

Currys to set up computer company

BY JAMES BARTHOLOMEW

MR. JOHN MORRIS, a director of Ladbroke, Ladbroke's main casino subsidiary, admitted in a conversation with a Ladbroke employee that the company had broken the gaming laws, it was said at Knightsbridge, Crown Court yesterday.

On the second day of the rehearsing of Ladbroke's application for renewal of four casino club licences, Mrs. Janet Ballard, personal assistant to Mr. Cyril Stein, chairman of Ladbroke, described a conversation she had with Mr. Morris some time before September 1978, after police investigation into Ladbroke and publicity about its affairs.

She had asked Mr. Morris how serious the whole affair was, she said. He had replied that "it was pretty serious. They had been doing things in relation to car numbers etc, contravening the gaming laws. They had done it. They had to face the music."

"And I asked him about Mr. Stein and he said he knew all about it and he would have to face the music," said Mrs. Ballard.

Earlier in her evidence Mrs. Ballard said Mr. Stein was "very much a working chairman" and took particular interest in the casino division because it was the most profitable.

Ladbroke employee tells of director's 'admission'

BY JAMES BARTHOLOMEW

MR. JOHN MORRIS, a director of Ladbroke, Ladbroke's main casino subsidiary, admitted in a conversation with a Ladbroke employee that the company had broken the gaming laws, it was said at Knightsbridge, Crown Court yesterday.

On the second day of the rehearsing of Ladbroke's application for renewal of four casino club licences, Mrs. Janet Ballard, personal assistant to Mr. Cyril Stein, chairman of Ladbroke, described a conversation she had with Mr. Morris some time before September 1978, after police investigation into Ladbroke and publicity about its affairs.

She had asked Mr. Morris how serious the whole affair was, she said. He had replied that "it was pretty serious. They had been doing things in relation to car numbers etc, contravening the gaming laws. They had done it. They had to face the music."

"And I asked him about Mr. Stein and he said he knew all about it and he would have to face the music," said Mrs. Ballard.

Earlier in her evidence Mrs. Ballard said Mr. Stein was "very much a working chairman" and took particular interest in the casino division because it was the most profitable.

MR. JOHN MORRIS, a director of Ladbroke, Ladbroke's main casino subsidiary, admitted in a conversation with a Ladbroke employee that the company had broken the gaming laws, it was said at Knightsbridge, Crown Court yesterday.

On the second day of the rehearsing of Ladbroke's application for renewal of four casino club licences, Mrs. Janet Ballard, personal assistant to Mr. Cyril Stein, chairman of Ladbroke, described a conversation she had with Mr. Morris some time before September 1978, after police investigation into Ladbroke and publicity about its affairs.

She had asked Mr. Morris how serious the whole affair was, she said. He had replied that "it was pretty serious. They had been doing things in relation to car numbers etc, contravening the gaming laws. They had done it. They had to face the music."

"And I asked him about Mr. Stein and he said he knew all about it and he would have to face the music," said Mrs. Ballard.

Earlier in her evidence Mrs. Ballard said Mr. Stein was "very much a working chairman" and took particular interest in the casino division because it was the most profitable.

MR. JOHN MORRIS, a director of Ladbroke, Ladbroke's main casino subsidiary, admitted in a conversation with a Ladbroke employee that the company had broken the gaming laws, it was said at Knightsbridge, Crown Court yesterday.

On the second day of the rehearsing of Ladbroke's application for renewal of four casino club licences, Mrs. Janet Ballard, personal assistant to Mr. Cyril Stein, chairman of Ladbroke, described a conversation she had with Mr. Morris some time before September 1978, after police investigation into Ladbroke and publicity about its affairs.

She had asked Mr. Morris how serious the whole affair was, she said. He had replied that "it was pretty serious. They had been doing things in relation to car numbers etc, contravening the gaming laws. They had done it. They had to face the music."

"And I asked him about Mr. Stein and he said he knew all about it and he would have to face the music," said Mrs. Ballard.

Earlier in her evidence Mrs. Ballard said Mr. Stein was "very much a working chairman" and took particular interest in the casino division because it was the most profitable.

Deloitte partner defends circular

BY JAMES BARTHOLOMEW

A PARTNER of Deloitte and Company, the city accountants, told the High Court yesterday that he did not think it necessary to give details of asset valuations when preparing a circular for Newman Industries in 1975.

The court was hearing evidence from Mr. Peter Cooper, a partner in Deloitte and Company, which was responsible for making an independent valuation of assets and liabilities sold by Thomas Poole and Gladstone China (TPG) to Newman in 1975.

The Prudential, a minority shareholder in Newman at the time, alleges that the circular informing shareholders of the proposed sale was misleading. It is also claiming damages from Mr. Alan Bartlett and Mr. John Knox Loughton, respectively chairman and vice-chairman of Newman and TPG, for conspiracy and breach of duty.

Mr. Cooper told the court that he had not thought it necessary to itemise in the circular the value of TPG's stakes in four associate companies.

A composite value of around £1m was attributed to the holdings. Mr. Cooper said the whole basis of valuation had little regard to the quoted value of the shares. It would, therefore, have been necessary to explain at some length the difference between the quoted and attributed values, he added. Mr. Cooper has now completed his evidence in chief.

The action has been adjourned for up to a fortnight to allow one of the counsel involved to meet a prior commitment.

Plant makers urged to develop technology for new markets

BY JAMES McDONALD

PLANT SUPPLIERS will have to put extra effort into technical development, both on their own and with customers, says a National Economic Development Office report on prospects for UK process plant manufacturers.

The study of prospects in the aluminium smelting, chemicals and electricity supply industries, concludes that large amounts of new process plant and equipment will be bought over the next 20 years. But British suppliers will have to accept a "stiff competition" from overseas.

Many British process plant manufacturers, now have fewer orders says the study. A principal reason is said to be competition from overseas, including developing countries whose lower wage and materials costs mean lower prices.

One way forward for the industry is to improve its products, introducing higher technology and better design.

The study concludes that biological processes in the chemicals industry will become more widespread and that coal conversion will gain importance as oil production falls.

Industry fuel reprocessing and storage of active wastes, including the new vitrification process, will pose particular challenges. Nuclear power generation will see the introduction of two new processes - the pressurised water reactor and the fast reactor.

In the energy sector conservation will become a central principle of all plant design and construction. Chlor-alkali production, steel rolling and re-rolling, will be reduced to conserve energy.

Electricity generation will also be affected on a growing scale although coal-fired plant will probably be needed and renewable energy sources, such as wind and wave power, will come into use.

On technology, the study concludes that plant sites have reached a technical limit in many respects. Construction on sites will give way to construction in new areas to avoid saturation.

Heavier items of plant will be demanded. Many will have to be moved by water. In-service inspection and maintenance will be a major requirement, particularly in the nuclear industry. Environmental protection will become a prime need and automatic control will increase, for complete processes and individual plant items.

More enlightened customers are likely to show a sympathetic attitude towards "terotechnology," involving the assessment of total life costs when investment decisions are made, says the study. Savings from low maintenance costs and high reliability may outweigh higher initial costs.

The study says: "In the same context and with the emphasis on safety, customers are likely to continue to emphasise the need for comprehensive documentation relating to operation and maintenance of plant and equipment. This implies continuing close contact between supplier and customer."

"Technology Prospects in the Process Industries," Nedo Books, 1 Steel House, 11 Tot Hill Street, London, SW1, £2.50 or £2.65 postage paid.

PLANT SUPPLIERS will have to put extra effort into technical development, both on their own and with customers, says a National Economic Development Office report on prospects for UK process plant manufacturers.

The study of prospects in the aluminium smelting, chemicals and electricity supply industries, concludes that large amounts of new process plant and equipment will be bought over the next 20 years. But British suppliers will have to accept a "stiff competition" from overseas.

Many British process plant manufacturers, now have fewer orders says the study. A principal reason is said to be competition from overseas, including developing countries whose lower wage and materials costs mean lower prices.

One way forward for the industry is to improve its products, introducing higher technology and better design.

The study concludes that plant sites have reached a technical limit in many respects. Construction on sites will give way to construction in new areas to avoid saturation.

Heavier items of plant will be demanded. Many will have to be moved by water. In-service inspection and maintenance will be a major requirement, particularly in the nuclear industry. Environmental protection will become a prime need and automatic control will increase, for complete processes and individual plant items.

More enlightened customers are likely to show a sympathetic attitude towards "terotechnology," involving the assessment of total life costs when investment decisions are made, says the study. Savings from low maintenance costs and high reliability may outweigh higher initial costs.

The study says: "In the same context and with the emphasis on safety, customers are likely to continue to emphasise the need for comprehensive documentation relating to operation and maintenance of plant and equipment. This implies continuing close contact between supplier and customer."

"Technology Prospects in the Process Industries," Nedo Books, 1 Steel House, 11 Tot Hill Street, London, SW1, £2.50 or £2.65 postage paid.

PLANT SUPPLIERS will have to put extra effort into technical development, both on their own and with customers, says a National Economic Development Office report on prospects for UK process plant manufacturers.

The study of prospects in the aluminium smelting, chemicals and electricity supply industries, concludes that large amounts of new process plant and equipment will be bought over the next 20 years. But British suppliers will have to accept a "stiff competition" from overseas.

Many British process plant manufacturers, now have fewer orders says the study. A principal reason is said to be competition from overseas, including developing countries whose lower wage and materials costs mean lower prices.

One way forward for the industry is to improve its products, introducing higher technology and better design.

The study concludes that plant sites have reached a technical limit in many respects. Construction on sites will give way to construction in new areas to avoid saturation.

Heavier items of plant will be demanded. Many will have to be moved by water. In-service inspection and maintenance will be a major requirement, particularly in the nuclear industry. Environmental protection will become a prime need and automatic control will increase, for complete processes and individual plant items.

More enlightened customers are likely to show a sympathetic attitude towards "terotechnology," involving the assessment of total life costs when investment decisions are made, says the study. Savings from low maintenance costs and high reliability may outweigh higher initial costs.

The study says: "In the same context and with the emphasis on safety, customers are likely to continue to emphasise the need for comprehensive documentation relating to operation and maintenance of plant and equipment. This implies continuing close contact between supplier and customer."

"Technology Prospects in the Process Industries," Nedo Books, 1 Steel House, 11 Tot Hill Street, London, SW1, £2.50 or £2.65 postage paid.

Currys to set up computer company

BY JAMES BARTHOLOMEW

MR. JOHN MORRIS, a director of Ladbroke, Ladbroke's main casino subsidiary, admitted in a conversation with a Ladbroke employee that the company had broken the gaming laws, it was said at Knightsbridge, Crown Court yesterday.

On the second day of the rehearsing of Ladbroke's application for renewal of four casino club licences, Mrs. Janet Ballard, personal assistant to Mr. Cyril Stein, chairman of Ladbroke, described a conversation she had with Mr. Morris some time before September 1978, after police investigation into Ladbroke and publicity about its affairs.

She had asked Mr. Morris how serious the whole affair was, she said. He had replied that "it was pretty serious. They had been doing things in relation to car numbers etc, contravening the gaming laws. They had done it. They had to face the music."

"And I asked him about Mr. Stein and he said he knew all about it and he would have to face the music," said Mrs. Ballard.

Earlier in her evidence Mrs. Ballard said Mr. Stein was "very much a working chairman" and took particular interest in the casino division because it was the most profitable.

Ladbroke employee tells of director's 'admission'

BY JAMES BARTHOLOMEW

MR. JOHN MORRIS, a director of Ladbroke, Ladbroke's main casino subsidiary, admitted in a conversation with a Ladbroke employee that the company had broken the gaming laws, it was said at Knightsbridge, Crown Court yesterday.

On the second day of the rehearsing of Ladbroke's application for renewal of four casino club licences, Mrs. Janet Ballard, personal assistant to Mr. Cyril Stein, chairman of Ladbroke, described a conversation she had with Mr. Morris some time before September 1978, after police investigation into Ladbroke and publicity about its affairs.

She had asked Mr. Morris how serious the whole affair was, she said. He had replied that "it was pretty serious. They had been doing things in relation to car numbers etc, contravening the gaming laws. They had done it. They had to face the music."

"And I asked him about Mr. Stein and he said he knew all about it and he would have to face the music," said Mrs. Ballard.

Earlier in her evidence Mrs. Ballard said Mr. Stein was "very much a working chairman" and took particular interest in the casino division because it was the most profitable.

MR. JOHN MORRIS, a director of Ladbroke, Ladbroke's main casino subsidiary, admitted in a conversation with a Ladbroke employee that the company had broken the gaming laws, it was said at Knightsbridge, Crown Court yesterday.

On the second day of the rehearsing of Ladbroke's application for renewal of four casino club licences, Mrs. Janet Ballard, personal assistant to Mr. Cyril Stein, chairman of Ladbroke, described a conversation she had with Mr. Morris some time before September 1978, after police investigation into Ladbroke and publicity about its affairs.

She had asked Mr. Morris how serious the whole affair was, she said. He had replied that "it was pretty serious. They had been doing things in relation to car numbers etc, contravening the gaming laws. They had done it. They had to face the music."

"And I asked him about Mr. Stein and he said he knew all about it and he would have to face the music," said Mrs. Ballard.

Earlier in her evidence Mrs. Ballard said Mr. Stein was "very much a working chairman" and took particular interest in the casino division because it was the most profitable.

MR. JOHN MORRIS, a director of Ladbroke, Ladbroke's main casino subsidiary, admitted in a conversation with a Ladbroke employee that the company had broken the gaming laws, it was said at Knightsbridge, Crown Court yesterday.

On the second day of the rehearsing of Ladbroke's application for renewal of four casino club licences, Mrs. Janet Ballard, personal assistant to Mr. Cyril Stein, chairman of Ladbroke, described a conversation she had with Mr. Morris some time before September 1978, after police investigation into Ladbroke and publicity about its affairs.

She had asked Mr. Morris how serious the whole affair was, she said. He had replied that "it was pretty serious. They had been doing things in relation to car numbers etc, contravening the gaming laws. They had done it. They had to face the music."

"And I asked him about Mr. Stein and he said he knew all about it and he would have to face the music," said Mrs. Ballard.

Earlier in her evidence Mrs. Ballard said Mr. Stein was "very much a working chairman" and took particular interest in the casino division because it was the most profitable.

Deloitte partner defends circular

BY JAMES BARTHOLOMEW

A PARTNER of Deloitte and Company, the city accountants, told the High Court yesterday that he did not think it necessary to give details of asset valuations when preparing a circular for Newman Industries in 1975.

The court was hearing evidence from Mr. Peter Cooper, a partner in Deloitte and Company, which was responsible for making an independent valuation of assets and liabilities sold by Thomas Poole and Gladstone China (TPG) to Newman in 1975.

The Prudential, a minority shareholder in Newman at the time, alleges that the circular informing shareholders of the proposed sale was misleading. It is also claiming damages from Mr. Alan Bartlett and Mr. John Knox Loughton, respectively chairman and vice-chairman of Newman and TPG, for conspiracy and breach of duty.

Mr. Cooper told the court that he had not thought it necessary to itemise in the circular the value of TPG's stakes in four associate companies.

A composite value of around £1m was attributed to the holdings. Mr. Cooper said the whole basis of valuation had little regard to the quoted value of the shares. It would, therefore, have been necessary to explain at some length the difference between the quoted and attributed values, he added. Mr. Cooper has now completed his evidence in chief.

The action has been adjourned for up to a fortnight to allow one of the counsel involved to meet a prior commitment.

Ulster TV franchise challenged

BY OUR BELFAST CORRESPONDENT

A GROUP OF 40 Ulster-born personalities drawn from industry, the arts and various professions is to challenge Ulster Television for the independent television franchise in Northern Ireland.

A new company called Northern Ireland Independent Television has been formed to apply for the contract when it is put out to tender by the Independent Broadcasting Authority at the end of next year.

It is chaired by Lord Dunleath, who resigned from the moderate Alliance Party to head the consortium. Mr. Liam McCormick, a distinguished Ulster architect, is vice-chairman.

Among the backers are Mr. Lenis Lamont, vice-chairman of the CBI in Ulster, Mr. Charles Monaghan, of Faber and Faber, the Marchioness of Dufferin and

A GROUP OF 40 Ulster-born personalities drawn from industry, the arts and various professions is to challenge Ulster Television for the independent television franchise in Northern Ireland.

A new company called Northern Ireland Independent Television has been formed to apply for the contract when it is put out to tender by the Independent Broadcasting Authority at the end of next year.

It is chaired by Lord Dunleath, who resigned from the moderate Alliance Party to head the consortium. Mr. Liam McCormick, a distinguished Ulster architect, is vice-chairman.

Among the backers are Mr. Lenis Lamont, vice-chairman of the CBI in Ulster, Mr. Charles Monaghan, of Faber and Faber, the Marchioness of Dufferin and

A GROUP OF 40 Ulster-born personalities drawn from industry, the arts and various professions is to challenge Ulster Television for the independent television franchise in Northern Ireland.

A new company called Northern Ireland Independent Television has been formed to apply for the contract when it is put out to tender by the Independent Broadcasting Authority at the end of next year.

It is chaired by Lord Dunleath, who resigned from the moderate Alliance Party to head the consortium. Mr. Liam McCormick, a distinguished Ulster architect, is vice-chairman.

Among the backers are Mr. Lenis Lamont, vice-chairman of the CBI in Ulster, Mr. Charles Monaghan, of Faber and Faber, the Marchioness of Dufferin and

Deloitte partner defends circular

BY JAMES BARTHOLOMEW

A PARTNER of Deloitte and Company, the city accountants, told the High Court yesterday that he did not think it necessary to give details of asset valuations when preparing a circular for Newman Industries in 1975.

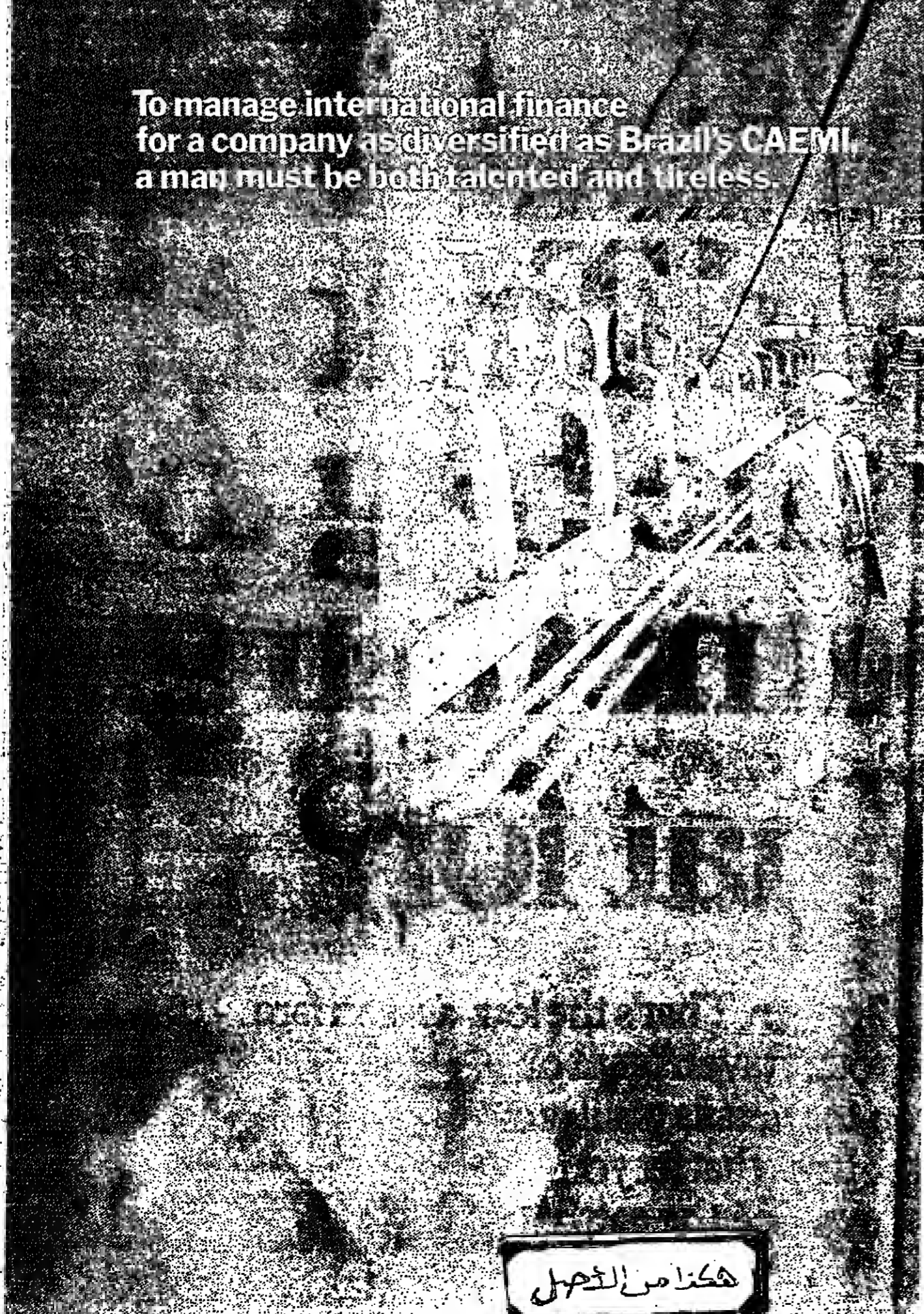
The court was hearing evidence from Mr. Peter Cooper, a partner in Deloitte and Company, which was responsible for making an independent valuation of assets and liabilities sold by Thomas Poole and Gladstone China (TPG) to Newman in 1975.

The Prudential, a minority shareholder in Newman at the time, alleges that the circular informing shareholders of the proposed sale was misleading. It is also claiming damages from Mr. Alan Bartlett and Mr. John Knox Loughton, respectively chairman and vice-chairman of Newman and TPG, for conspiracy and breach of duty.

Mr. Cooper told the court that he had not thought it necessary to itemise in the circular the value of TPG's stakes in four associate companies.

A composite value of around £1m was attributed to the holdings. Mr. Cooper said the whole basis of valuation had little regard to the quoted value of the shares. It would, therefore, have been necessary to explain at some length the difference between the quoted and attributed values, he added. Mr. Cooper has now completed his evidence in chief.

The action has been adjourned for up to a fortnight to allow one of the counsel involved to meet a prior commitment.



To manage international finance for a company as diversified as Brazil's CAEMI, a man must be both talented and tireless.

His banker must be the same.

Robert M. Londono, Vice President, Chemical Bank. Photographed at the shipping terminal of CAEMI's subsidiary Mineracoes Brasileiras Reunidas S.A.

In Brazil, CAEMI stands for Companhia Auxiliar de Empresas de Mineracao. In the rest of the world, it stands for a worldwide organization with financial interests in five major areas—mining and exploration, raw materials for the steel industry, chartering, general commodities, and food products.

In a company that is diverse and far-flung, Finance Director Vinicius Ferraz Machado must try to be everywhere at once attending the money needs of many subsidiaries in many currencies. Fortunately, he can turn for help to a man who can put him in

touch with the world. His Chemical Bank, Bob Londono.

Londono operates out of Chemical Bank in New York, but with Chemical's physical presence around the globe, he can help Machado everywhere CAEMI does business. In Brazil, Chemical Bank services CAEMI through its representative offices in Rio and São Paulo. In Europe, Chemical finances CAEMI's operations out of full-service branches in London and Brussels. And in New York, it assists with CAEMI's increasingly numerous joint ventures with major U.S. companies.

Considering its worldwide status and international activities, CAEMI is a company that requires considerable short- and medium-term financing. In addition to that financing, Machado will tell you that Londono gives him something else that's equally important. And that's a professional and personal relationship rare enough in any line of business.

That's what usually happens when corporate officers get together with Chemical bankers. And what results is bottom line benefits for both the company and the bank.

The difference in money is people. **CHEMICAL BANK**

Chemical Bank House, 120 Strand, London WC2R 1ET Tel: 279,7024 Representative Offices: Scottish Prudential House, 1-2 Waterloo Street, Birmingham - Charlotte House, 17 Charlotte Square, Edinburgh. Main Office: New York, NY. Our World-Wide Network: Medan, Bahrain, Bangkok, Geneva, Birmingham, Bogota, Bombay, Brasilia, Buenos Aires, Cairo, Caracas, Chennai, Hong Kong, Hanoi, Harbin, Havana, Jakarta, London, Manila, Mexico City, Moscow, New York, New York, Frankfurt, New York, New York, Sao Paulo, Seoul, Singapore, Sydney, Taipei, Tokyo, Toronto, Vancouver, Warsaw, Zurich, Nouakchott, Paris, Rio de Janeiro, Rome, San Francisco, Sao Paulo, Seoul, Singapore, Sydney, Taipei, Tokyo, Toronto, Vancouver, Warsaw, Zurich.

هكتاس النجمل

TSB to advance loans for housing

World coal finds

Farmers

TSB to advance loans for housing

BY TIM DICKSON

The Trustee Savings Banks yesterday announced their entry into mortgage lending. Applications for the first advances start today in the South East.

In the first year of operation the TSB group plans to lend about £196m on mortgages. This is expected to rise to about £250m by November 1981.

Mortgages are not completely new to the TSB—the Birmingham Municipal TSB has been offering them for many years, while pilot schemes have more recently been running in the Channel Isles and the Isle of Man.

The sums involved are small by banking standards—their advances are running at about £750m a month—but the TSB move represents a further step in its development of a full range of banking services.

Base rule

Mr. Tom Bryans, chief general manager of the TSB, said yesterday: "Our main objective is to provide an additional service which will help to meet some of the increasing demand for mortgages."

One of the most interesting features of the TSB mortgages is the rate of interest to be charged. Unlike the commercial banks, which normally link their home loans to bank base rate, the TSB is introducing its own mortgage rate. It will be influenced by market interest rates, but it will only be changed periodically and not necessarily in line with Minimum Lending Rate.

Mr. Bryans said: "We consider that bank base lending rate is too unstable for mortgage purposes because we feel that customers will require a less volatile rate."

Initially the TSB mortgage rate has been fixed at 13½ per cent, but according to Mr. Bryans, branch managers in the TSB's 18 regional banks will operate within a range from 1 per cent below to 2½ per cent above the base. This is to "accommodate portfolio requirements, individual customer circumstances, and all relevant risk factors."

Maximum

The TSB emphasises that even in exceptional circumstances where it may be necessary to charge the highest rate, it will be competitive with other banks. Lloyds, for example, charges 3 per cent over base rate, which is currently 14 per cent. Building societies currently charge 11½ per cent on mortgage advances, although this will go up to 12½ per cent on January 1. The rate is generally higher when big sums are involved.

Other features of TSB mortgages include a maximum limit of £50,000 on individual advances; repayment terms of up to 25 years (or by age 65 if sooner); advances limited to 90 per cent of valuation, of purchase price, if lower; repayment either by the annuity method or through an endowment policy.

Third World 'chief hope' for coal finds

IF THE annual growth in coal production remains at 3 per cent, world supplies will last only about 100 years unless more resources are discovered, says Dr. Bernardo Grossling, natural resources adviser to the Inter-American Development Bank, in his new report World Coal Resources, published by the Financial Times.

The chief hope for new coal discoveries, says Dr. Grossling, is in South America and Africa. More than 70 per cent of world coal production takes place in developed economies.

Farmers 'must protect wild life'

BY ELAINE WILLIAMS

FARMERS WHO wish to reclaim land for agricultural use should be forced by law to protect wildlife and country landscapes, says the Countryside Commission.

The commission—which has rejected the Government's latest proposals on nature conservancy—believes that a voluntary system of preserving the countryside will fail. Lord Winstanley, the commission's chairman, has written to Mr. Michael Heseltine, Environment Secretary, calling for stronger measures.

It wants more comprehensive arrangements based on a clear designation of sensitive areas, ministerial powers to step in where voluntary efforts have failed, and a new system of grants, agricultural grants and subsidies.

The commission believes that the Government's plans will fail because the farming community

Mortgage shortfall continues despite record lending

BY MICHAEL CASSELL

BUILDING SOCIETIES are still falling well short of meeting demand for home loans—despite record levels of mortgage lending—according to the Building Societies Association.

It confirmed yesterday that member societies this year expect to advance a record £8.8bn, against £8.7bn in 1978. But because of house price increases, the number of mortgages is expected to fall to 711,000 compared with 802,000 last year.

Earlier estimates by the association had suggested that advances would reach only £8.6bn, involving 673,000 loans. But these have been increased with the better-than-expected improvement in net receipts.

The association, whose members are due to raise the mortgage rate to a record 12½ per cent in January following the August increases in investors' rates, said that societies are "a very long way from meeting mortgage demand."

The societies' inability to provide sufficient mortgage finance was reflected in the long queues for home loans and falling advances in relation to purchase prices. It was also demonstrated in the need for home buyers to finance part of any

purchase from alternative and much more expensive sources.

The association estimates that mortgage demand is currently running near to £1.1bn a month compared with the present lending level of about £750m monthly. To meet demand net monthly receipts would have to be more than £550m a month. Although this figure could well have been breached in October because of tax rebates, the present trend is about £300m to £350m a month.

A fairly substantial reduction in competing interest rates would be needed, say the societies, to attract the required level of funds.

An association spokesman said: "A major feature of the behaviour of the housing market over the past 18 months has been that purchasers have been finding an ever-increasing share of over-valued purchase prices either from their own resources or from institutions other than building societies."

While average prices rose by just over 45 per cent between April, 1978, and August, 1979, the average mortgage advance rose by just under 20 per cent. As a result, the average percentage advance fell from 67

per cent to a little over 35 per cent.

This decline is due in part to existing house owners accumulating a larger equity stake to put into their next home. Those, such as first-time buyers, requiring money on top of their mortgage may have taken out topping-up loans or received money from relatives.

The association also points out that there has been a big

expansion in bank lending for house purchase, with the banks probably accounting for 15 per cent of the increase in mortgage debt recorded during the quarter which ended in mid-August.

It believes, too, that substantial volumes of cash are increasingly being released on the sale of properties owned by the older generation.

Parliament Page 16

Public sector set for one of worst years

FINANCIAL TIMES REPORTER

THIS YEAR'S public sector housing programme looks set to be one of the worst on record.

Figures from the Department of the Environment show that only 6,500 public sector homes were started in September against 7,100 in the previous month and 8,500 in September, 1978. This is the lowest monthly figure this year.

With only 61,300 public sector starts in the first nine months it now seems unlikely that the new construction programme will have resulted in many more than 80,000 starts this year.

Such a final total would compare with the 107,000 last year and confirm the steady and continuing decline of public sector housing work since the peak of 174,000 in 1975.

The signs are that there will be no improvement in the public sector programme in the foreseeable future and only last week the Government confirmed that the low annual rate of approvals—now running at about 45,000—is to be maintained. The rest of the public

sector programme will be made up by housing association projects.

Public sector completions in September reached 8,400, an increase on the August total of 7,500, but nearly 2,000 lower than in the same month last year. With just over 70,000 completions achieved in the first nine months of this year, the 1979 total is expected to be under 100,000 against earlier expectations of 110,000 and compared with the 1978 total of 131,000.

In the private sector, where starts reached 14,700 in September against 11,100 in the previous month, the annual total is thought likely to be in the region of 135,000-140,000 against 157,000 in 1978, the highest annual figure since 1973.

Private sector completions totalled 11,300 in September against 9,000 in August. But there are doubts about whether the widely-predicted total of 140,000 completions for 1979 will be met. Only 93,000 homes were finished by the end of September.

Rolls-Royce bid to cut delays

ROLLS-ROYCE has started "operation catch-up" to try to put its civil and military aero-engine programmes back on schedule after the delays caused by the recent engineering strikes.

Development of the RB-211 Dash 535 engine for the Boeing 757 airliner is regarded as the most critical programme by the management. It is eight weeks behind.

At the Industrial and Marine Division, the Tyne engine programme for the Netherlands Navy is months behind schedule. This is partly because of a shortage of parts from subcontractors.

Mr. Bert Beattie, the division's general manager, says it will get only about three-quarters of the Avon engines it needs this year.

Deliveries from Bristol of the RB-199 military engine for the European Tornado combat aircraft will be in arrears until the end of next year.

Although an article in the latest issue of Rolls-Royce News, the company's staff newspaper, points out that there has been a good response to management appeals for extra effort to catch up on the delays, it stresses that there is no room

for further slippages. "The Dash 535 engine programme is 'as tight as a drum,'" according to Mr. Trevor Salt, operations director of the Aero Division. Although delivery is not due until September, 1981, Rolls-Royce admits the schedule will be tough to meet.

"We certainly need to plug in every hour we can until we are back on programme," Mr. Salt says. "We have created productivity schemes to encourage higher output. Now we want everyone to grasp the opportunities these offer."

Among Rolls-Royce's problems is that many of its subcontractors and component suppliers have been slow to respond to its demands in the past year for increased production as new engine programmes have got under way.

This, and the fact that most UK companies capable of producing aero-engine parts are already fully committed to Rolls-Royce, has resulted in the company having to subcontract work to companies abroad.

One result of the delays to aero-engine programmes is that the Rolls-Royce management has been obliged to discuss revised deliveries with its main customers, Lockheed and Boeing.

Vauxhall will import Astras

By Kenneth Goding, Motor Industry Correspondent

VAUXHALL MOTORS is to sell its own version of General Motors front-wheel-drive "world car" and call it the Astra. The cars will be built by Opel, another GM subsidiary, in West Germany, and basically be rebadged versions of the Opel Kadette.

At present there seem to be no plans to assemble Astras in the UK even though Vauxhall apparently expects to capture well over 1 per cent of the market with the car.

The Astra will go on sale next April and be priced at around £4,000, matching the price of the top-of-the-range Chevettes and the bottom end of the Cavalier range.

Only two, relatively up-market and expensive versions will be brought to the UK—a five-door hatchback and a five-door estate car.

This is to avoid conflict with the Chevette with which many Opel Kadette models overlap. In West Germany the new Opel Kadette replaced the rear-wheel-drive T-car design on which both the former Kadette and the Chevette were based.

Vauxhall intends to continue Chevette output "well into the 1980s."

Lancia automatic on sale

LANCIA'S NEW three-speed automatic transmission developed in association with Automotive Products of the UK goes on sale in Britain today as a £455 option on the Beta range.

Lancia, the Fiat subsidiary responsible for the group's up-market cars, expects automatic Betas to account for about 20 per cent of the cars it will sell

for total sales of all models in 1980 is around 15,000, in the UK next year. Its target

More UK News Page 18

The company claims that in spite of being fitted to a car with front-wheel-drive and an

engine mounted transversely, the new transmission is nearly as light and as compact as the manual version.

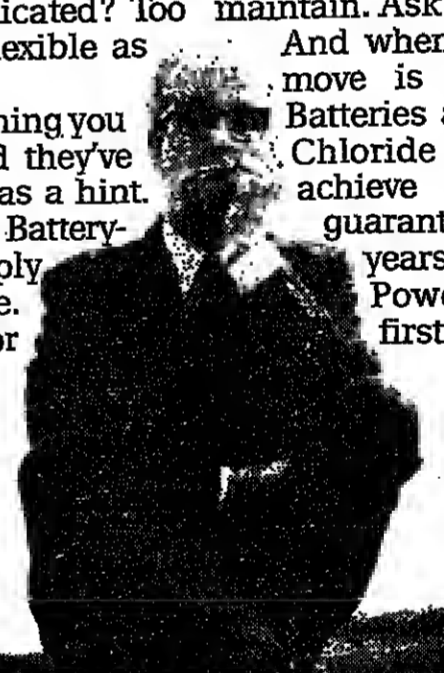
The transmission is the first of its type to be built in Italy and is assembled at Lancia's Verrone plant, opened in 1974 and which has a section specifically for production of the automatic transmission.

Still sitting on the fence?

There are a lot of questions to answer before you buy a battery electric fork lift truck. They seem mysterious and complicated? Too fragile? Too expensive? And not as flexible as a diesel truck?

Perhaps the oil sheiks know something you don't. They buy battery electrics. And they've got plenty of oil! — You can take that as a hint. Maybe we can drop a few hints too. Battery electric trucks are powered by a fuel supply that's inexpensive and inexhaustible. They are also rugged and flexible for indoor or outdoor use. Free from exhaust fumes and engine noise. Economical to run and easy to maintain. Ask your nearest oil sheik.

And when you come off the fence your first move is to specify Chloride Pure Power Batteries and Chargers — that way you get a Chloride Service Engineer to help you achieve cost-effective performance — and a guaranteed battery life no less than four years.* Send for booklet "Chloride Motive Power Batteries and Chargers" as your first step.



* Full details contained in our Form 22005.

Small Business Bureau to expand its services

BY JAMES McDONALD

THE SMALL Business Bureau, is to expand its services, it was announced in London yesterday. It has about 5,000 members.

It plans to appoint six regional executives to open the way for the development of an advisory service to help its 5,000 members to understand the activities of Government and advise on problems.

Mrs. Ava Westrip has been appointed research executive to the bureau, responsible for co-ordinating the new advisory service.

Other activities are to be strengthened. The monthly newspaper "Small Business" is to be enlarged.

Any member will be able to obtain on request help with a problem with Government activity, or an explanation of new or existing Government measures.

The advisory service will provide members with contacts, addresses and telephone numbers of people who will be able to help and advise on business problems.

Receiver appointed at Intrepid Sealey

Mr. Roger Harris, Pent, Marwick Mitchell's senior partner in the Devon and Cornwall offices, has been appointed Receiver and Manager of the Intrepid Sealey Group, of Falmouth, Cornwall.

The group which employs 110 people, manufactures fishing reels and rods.

Chloride Industrial Batteries Limited, Dept. FT. 3, P.O. Box 5, Swinton, Manchester M27 2LR. Telephone: 061-794 4611.

CHLORIDE
The energy-holding company

UK NEWS—THE CBI AT BIRMINGHAM

Motion on outlawing closed shop wins narrow majority

DELEGATES VOTED by a narrow majority for the outlawing of the closed shop.

A motion put forward by Mr. Richard Purtick, chairman and chief executive of Taylor Woodrow, had urged the Government to include in its proposals for industrial relations law measures to ensure that everyone had the right, without affecting their employment, not to join a trade union, or to join a trade union of their choice.

Sir Alex Jarratt, chairman and chief executive of Reed International and chairman of the CBI's steering group on industrial relations, said at the opening of the debate that the CBI supported Government proposals which, while not making the closed shop unlawful, aimed to ensure that it operated fairly. He urged members to vote against the motion because the Government's and CBI proposals had similar objectives. He said it was a politically contentious issue as well as industrially problematic given that some 5m out of 12.5m trade unionists were working in closed shops of various kinds, which a high proportion of employers concerned seemed reluctant to disturb.

"In a free society, why should it be necessary for anyone to show they have religious beliefs, or deeply held convictions, in order to claim exemption from joining a union? Who has the right to sit in judgment on such convictions? There should be complete freedom of choice." The closed shop was an affront to freedom, an affront to democracy, an affront to trade unions themselves by

Mr. Clifford Rose, of the British Railways Board, said the closed shop had a degree of notoriety but it would be wrong to concentrate on this aspect of trade union power. "There have been abuses but that is no reason to sweep it all away." Too many people were using the issue as a weapon to attack trade unions, in order to see if they would fade away. He advocated improved communications with the unions.

David Churchill and Lisa Wood report on the final session of the CBI conference.

violating human rights, he said. Some employers have agreed to the closed shop apparently because they have seen it as a working basis for peaceful industrial relations he said. "After the strikes we have suffered this year including the recent engineers' strike, I wonder whether it is now seen in the same light." While the majority of speakers on the motion supported it, there was opposition from two areas — British shipping and the British Railways Board. Mr. Graham Turnbull of the General Council of British Shipping, was against outlawing the closed shop. He said his industry believed it had a constructive relationship with its unions.

Mr. Neville Comper, of Standard Telephone and Cables, said he supported the motion in principle, but would withdraw his support if he believed the CBI would press for this end in the long term. "In an ideal society the tyranny of the closed shop would have no place," he said.

However, Mr. David Ayres, of Advanced Tapes (UK), said in support of the motion, that employers must accept responsibility for their workers and not abdicate them to shop stewards.

Mr. Colin Tickner, of Nicholson Investments, Mr. Ron Halsestead, of Beechams Products, and Mr. Derek Gaultier, of the Federation of Civil Engineering Contractors, lent their support

to the motion. Mr. Gaultier said that delegates representing major companies were imposing the closed shop on other members because those "already trapped in the net" put a clause into contracts which specifically said that all members of a contracting company should be members of unions when on a job. "It is our view that any legislation should make that practice unlawful," he said.

Other speakers for the motion included Mr. David Coksey, of Intercoira and Mr. Ian Pirie of Vyvilon. Mr. David Boulton, of BICC Industrial Products said that he was worried that the proposals could give extremists a rallying point against alleged anti-union legislation.

Sir John Greenborough, president of the CBI, said that because the majority in favour of the motion was so slim he would refer it back to the CBI's steering group and not pass it on as a recommendation from the conference to the CBI Council, where it would affect policymaking decisions.

A second motion supporting the CBI's proposals on changes in industrial relations legislation and its response to the Government proposals, was passed without hostilities, although Mr. John Garrod of Rite Veat, said the key to increased productivity was a united effort not legislation.

Hardening views on collective bargaining

A HARDENING of employers attitudes over the last decade was obvious from the widespread support for a motion which called for the Government to make all collective agreements legally enforceable.

For, as Sir Alex Jarratt said in his opening of the debate, the 1971 Industrial Relations Act had tried to encourage legally enforceable agreements unless the parties deliberately chose otherwise. He said that in practice, under sustained trade union pressure, nearly all employers did just that.

He asked: "If the law is changed and you had another chance, would you use it, and enforce it?" Members in voting for the motion obviously believed that they would enforce it.

Sir Alex continued: "One thing is certain. If we do go for the legal reinforcement we must get the law right. And it is anything but simple."

He had said earlier in his speech that it would be fatal for members to stand back and pretend that laws could do the whole job for them. He said: "The law can, and should, play a part—but only a part, and then only if employers are prepared to use it. Otherwise we diminish ourselves and do damage to the whole process of the law itself."

Admiral Sir Anthony Griffin, chairman of British Shipbuilders, opposed the motion. He said it was carrying the concept of change by law too far and that communications in an increasingly complex world was a pressing problem.

Mr. Alf Gooding, of the Welsh company A. J. Gooding, who brought the first CBI conference to life two years ago, perhaps affected the mood of the conference in his speech given just before the vote.

He described how his factory was affected by the lorry drivers dispute earlier this year. In applauding the response of his workers and in describing how his factory was nicked by a man he had sacked some years ago, he said he would pay into a strike fund and support the motion.

'Strike fund proposals a way to change odds'

SIR ALEX JARRATT spelt out details of the proposals for mutual financial support during times of strikes. He told delegates that, since the financial odds in an industrial dispute were heavily stacked against employers, the CBI steering group had been looking at ways of changing the odds.

And he reminded delegates that the money that could be used for a mutual funding scheme was money already spent—or lost—as a result of industrial disputes.

Sir Alex told the conference: "The objectives of a mutual funding scheme are to reduce individual vulnerability to strike action by spreading and sharing the risk and the cost, and so increasing the will and the capability of any threatened company to resist unreasonable demands."

The scheme would be open on a voluntary basis, to all CBI members, and administered through a separate company set up for this specific purpose and embracing those companies wishing to be involved. It would have to be simple in concept, though sophisticated in operation.

"We have been working on it with a consortium of insurance brokers (some with experience of similar schemes overseas)

combining our industrial with their insurance knowledge and expertise.

"Already we have the idea, the broad shape, a lot of detail (not yet complete), and the knowledge that it could work."

"Time permits only a sketchy outline here, but, as we see it, the scheme would be on these lines:

● It would cover closure brought about by your own dispute or the knock-on effect of someone else's. The "someone else" could be either an independent supplier or a separately insured unit, or company within your own group.

● It would help to meet the costs you incur through loss of production (ie, standing charges during closure), but not loss of profit.

● Compensation would be speedy, and based cash flow problems—and based upon a degree of co-insurance (ie, the insured would bear part of the cost of closure).

● There would have to be some minimum and maximum length of cover.

● The rating of risk, on which the premium would be calculated, would be critical. It has to ensure that any individual company's rating reflects its degree of risk, carefully calculated in relation to several factors—size of unit, geography,

strike record, industrial sector, union presence, dependence on suppliers/customers, and so on. We have to guard against the majority unfairly financing a relatively few, unduly strike-prone companies — whether through excessive vulnerability or plain bad management.

● There are problems (legal and otherwise) about having within a single scheme, an option to cover knock-on strikes, without covering your own, although we realise some might find that attractive. We are still working on that, as we are on some of the other, more practical aspects attached to partial closure.

● Finally, the scheme has to have an adequate spread of risk and has to attract a wide, but by no means unrealistic, measure of support across the varied spread of CBI membership.

"We are now close to preliminary conclusions about the basis of a potentially viable scheme. When we have reached them, we will test-market the scheme among a number of companies of varied size and industrial relations risk and stability. The results of that exercise, coupled with other work in hand, should help us shape a final proposal which we can lay with some confidence before council."

Detailed planning gets go-ahead

THERE WAS overwhelming support for the resolution urging companies to take more positive action in the improvement of industrial relations.

Although the resolution did not specifically mention the proposed strike insurance scheme, support for the resolution was seen as an approval in principle for detailed planning no the scheme to continue.

Sir Alex Jarratt in introducing the debate, stressed the "importance of each of us improving our own performance as managers in the field of industrial relations, irrespective of what the rest of us are doing and irrespective of government."

He added: "If we cannot take sensible steps to resolve our

own problems, who are we to ask someone else to help us in doing so?"

The resolution was proposed by Mr. Roderick Travers, a director of Peter Brotherhood. He told delegates that whatever the CBI's success in securing changes on industrial relations law, and whatever the success of mutual co-operation within the CBI, in the end it was what companies did on their own shop floor that counted the most.

Mr. Anthony Frodsham, director-general of the Engineering Employers' Federation, said that the recent dispute in the engineering industry "proved again that companies suffer far greater damage than strikers—while unions virtually

suffer no loss at all." The social security system, he argued, protected the striker but left the employer out on his own.

"We should support measures which impose on unions the burden of partly financing their own strikes, and which relieve the taxpayer from contributing to what is often his own discomfort."

One vivid lesson from the engineering dispute, he added, was the value of a good relationship between management and employees. In spite of the pull of union solidarity, many managers were able to persuade employees that their true interest was not best served by blind obedience to union leaders.

New industrial relations approach needed

BRITAIN BADLY needs a new approach to industrial relations, Sir Alex Jarratt, chairman and chief executive of Reed International, told the conference.

Sir Alex was introducing yesterday's main session on a new deal for industrial relations, and giving the conference details of the work of the special CBI steering group on the issue. This steering group has been working since the beginning of 1979 to study the balance of power in industry.

Sir Alex said the steering group was concerned not just with power but with performance, responsibility, accountability, freedom and its abuse, and the "legal, social, and

industrial structures and systems within which it all operates."

The group has established four objectives for the reform of industrial relations. These are:

● To reduce industrial conflict and improve efficiency.

● To provide a framework within which industrial relations can operate with a reasonable balance of fairness between those involved—individually and collectively.

● To protect and encourage the rights of the individual and, at the same time, to create a better balance between the democratic freedoms involved in doing so and the need for

the protection of those freedoms.

● To create and demonstrate standards of industrial conduct which command the overwhelming support of the nation.

Sir Alex agreed with the strong feeling at the conference that amendments to industrial relations law were needed. "But it would be fatal for us to stand back and pretend the law can do the whole job for us," he added.

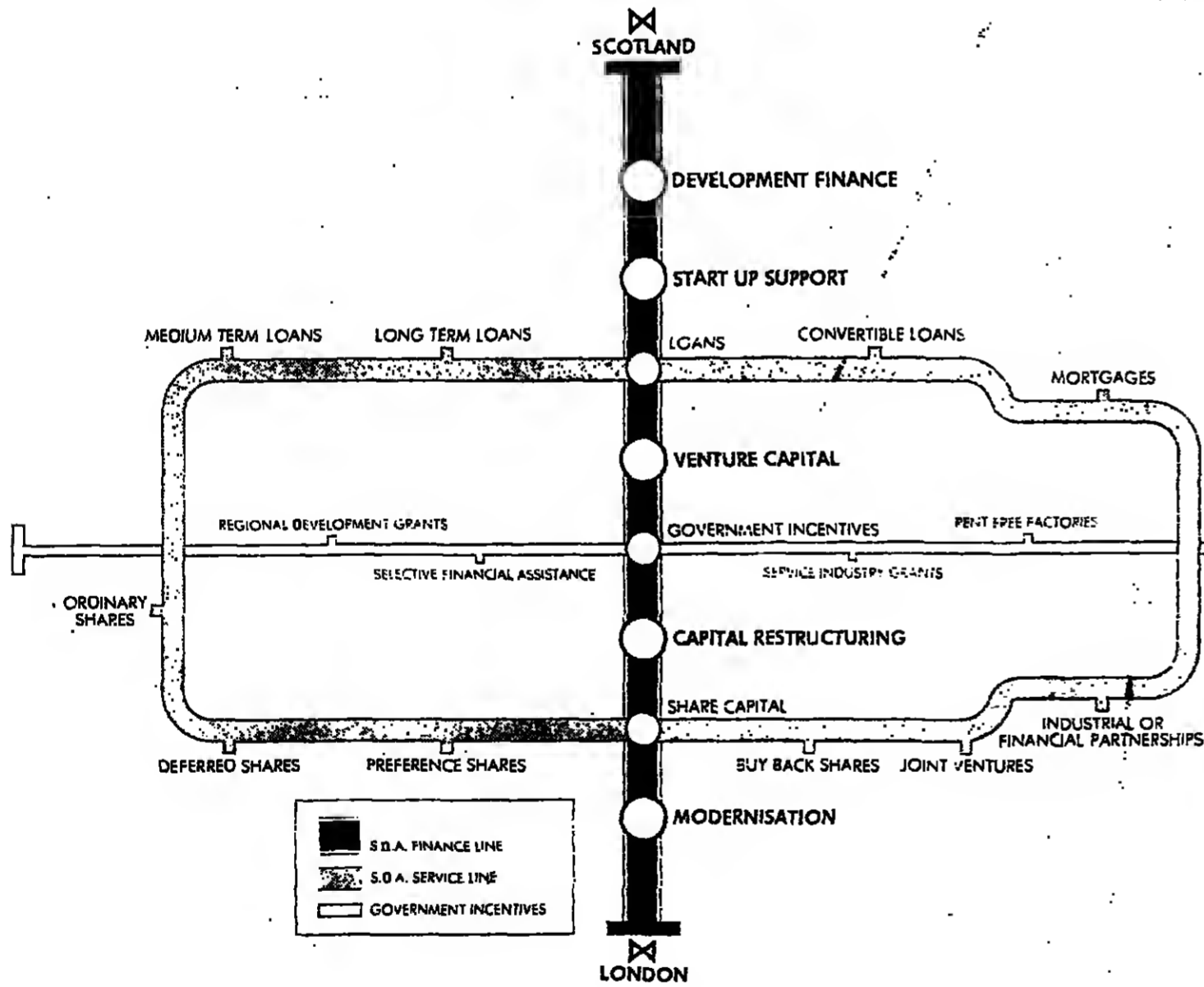
The group approached possible changes to the law in stages, he said, and the first stage identified so far was to establish areas of serious abuse and injustice which called for immediate action. The group homed-in on

four issues—and closed shop, picketing, trade union ballots, and the financing of strikes.

Sir Alex urged delegates to remember that the whole issue of industrial relations was extremely complex—both legally and conceptually. "We have only to look at previous attempts and failures of governments, of both parties, to reduce industrial conflicts to appreciate that there are no glib and easy solutions."

"We must remember that employers share at least some of the responsibility for past failures through our lack of unified thought and action and our reluctance to use opportunities offered to us in law."

Take the direct line to profit in Scotland



Now there's a direct route to profitable industrial growth in Scotland.

It's the direct line through the Scottish Development Agency—a new source of finance for industrial projects.

No matter where you're based—in Scotland and wishing to expand, or thinking of Scotland as a manufacturing base, the SDA can meet your capital requirements.

Set up to stimulate Scotland's industrial development and to create opportunities for growth, the SDA can deal with all enquiries and information on industrial investment.

If your business is set for expansion, the SDA can bridge some of the gaps in the availability of money that other sources do not always meet.

For example, the SDA is one of the few sources of venture capital, putting equity and loan finance behind new products and advanced technology. Or it may be money to help develop the next stage of your company, to improve your capital structure—or modernise your plant.

All this, plus government incentives, could be very profitable for you. Just match our criteria and you could be in business.

When we say money isn't everything, we mean it. We have other help available to set you on the right track. Advice and assistance for businesses large and small, new project evaluation, marketing, production and financial management. We can provide a factory on site or purpose built to your needs.

Just take the SDA line to Scotland.

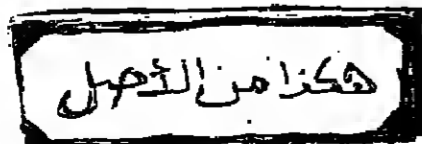
The express way to profit.

Head Office, 120 Bothwell Street, Glasgow G2 7JP
Tel: 041-248 2700 Telex: 777600
London Office, 17/19 Cockspur Street, London SW1Y 5BL
Tel: 01-839 2117/8

Have you ever wished you could recover your balance?

THE TIMES

Back soon, to keep you better informed. But be sure to re-order your daily copy:



Advertisement for Ovatic and Pet subjects. Includes text like 'Ovatic', 'Pet subj', and 'RESEARCH'. The text is partially cut off and difficult to read.

Advertisement for 'Isr' (likely Israel) and other services. Includes text like 'Isr', 'Management above', 'Company Cards', 'Travel Acc', and 'Swiss cur'. The text is partially cut off and difficult to read.

CBI AT BIRMINGHAM

Ovation for tough Methven

THE CLOSING speech by Sir John Methven, the CBI's director-general, which calls for employers to stop "pussy-footing around" and start putting the economic facts of their own work force, was greeted by delegates at the conference with a standing ovation.

Sir John had summed up in his speech several themes which had coursed through the one-and-a-half day conference in Birmingham — one of the main ones being that employers had a responsibility to workforces in outlining the economic facts of today and the obligation to communicate that information.

He said he wanted to talk about the positive side of industrial relations, "about communicating, about winning hearts and minds, and about management responsibilities."

When the CBI talked about balancing power with strength it should be very clear about what it meant. "Let's not risk any more misunderstanding. There's been too much of that already. Too few slogans, too few ideas. What we are talking about is a firm, rational response to pressures, not about girding ourselves up for the field of battle."

"What's needed from trade and industry in Britain today — what the nation wants and deserves — is a power house for prosperity, not a power struggle that leads to even greater un-

employment, even greater poverty.

"We're talking about managers behaving in a rational, professional and consistent way, meeting pressures — often unreasonable pressures — with firmness. Now we managers have to stand up and be counted: to show that we are no longer going to allow militancy to pay."

He said he was "sick and tired of the battlefields of British business. I yearn — as the nation yearns for a really united United Kingdom." He said that employers could not afford a policy of constant appeasement and compromise, of backing away from a deal struck with the moderates because of action taken by the militants.

Year by year evidence had mounted that the trade union movement in the UK was on the wrong tack. Quite rightly, he said, it was dedicated to defending the standard of living of its members. But the evidence was that the effect of their policies had been precisely the opposite of that which they intended.

Year by year British trade unions' made demands and gonged out massive pay increases with practically no increased productivity, and this year it seemed to be going to be no exception. Yet, he said, year by year British workers relative to the rest of Europe, got poorer.

He added: "The unions have

tried it their way. Now let's try it our way."

As the country approached a new decade there were two alternatives facing Britain. "If ever a nation stood poised between remorseless decline and real success, between poverty and prosperity, between disintegration and moral recovery, then it's Britain on the eve of the 1980s."

"In the starkest terms, we are drinking in the Last Chance Saloon."

Sir John said he believed the people of this country were some of the most intelligent in the world. "But there is still enormous ignorance about the economic facts of life. And frankly it's largely our fault."

He said that once people have the facts, they normally chose wisely. He acknowledged that many companies have excellent communications with their employees. "But all the evidence is that there is a lot to learn and that all too often there is just secrecy and silence. I strongly suspect that some companies still have communication procedures that would make a quiet night in a Trappist monastery sound like the last night of the Proms."

With pay claims being lodged for between 20 and 65 per cent or more, he urged delegates to "get out from behind your desks, stop pussy-footing around and start putting the economic facts of your own company, in front of your own workforce."

He told delegates that it was no use grumbling that wage claims were unrealistic and that company profitability was only a third of what it was 10 years ago.

Sir John also made clear his support for holding top-level talks with responsible trade union leaders. "After all, it's already been agreed that we should sit down and work together at the December meeting of the National Economic Development Council to discuss in depth the economic prospects for Britain and the world."

"I hope we will be able to build now on a side of our relationship that still gives me room for hope but I say to the TUC, with the greatest respect, that we must try and seek positive common ground where we can work constructively together to stamp out inflation, to achieve economic growth, and to move towards a high earnings, high productivity, and high employment economy."

His final message for delegates was to leave the conference and to evangelise the benefits of creating the conditions for real wealth and prosperity.

"Let's go out from this conference today and wake up and lead this moderate but complacent country of ours to the prosperity, freedom, and the caring society that everyone of us here knows is possible and wants so much."

Pet subject given pride of place

BY HAZEL DUFFY

INDUSTRIAL RELATIONS — the subject which most delegates had been patiently waiting for — finally claimed its rightful place at yesterday's conference session.

Any delegates who just might have had any doubts about the importance of the subject were firmly reminded of the recent past with an edition of the Engineering Employers Federation's latest bulletin on every seat asking the rhetorical question: Whose Victory?

If many people at conference privately held the view that employers' solidarity in the engineering strike had proved less durable than had been hoped for, they charitably didn't say so. This was the occasion for trying to do something about the posi-

tion in which employers will undoubtedly find themselves in the future.

Sir Alex Jarratt, set the scene with his near statesman-like summary of the work that his group is undertaking to restore some of the power that has lurching into the hands of the unions.

Resolution 11, which could become the CBI what proposition 13 did for the State of California, did not actually mention the closed shop, but conference was in no doubt that was what it was all about.

Indeed, Sir Alex made it clear in his summing up that if conference voted for the resolution it would be asking for the immediate outlawing for the closed shop.

Most of the debate was not able for its responsible and

reasonable tenor — the descriptions of the tyranny of the closed shop and the violation of human rights being countered by other speakers who suggested that the furor engendered by the subject could usefully be directed towards encouraging greater co-operation with the unions.

Any temptation to slip into a simple union bashing was studiously avoided and the closeness of the vote reflected the serious tone of the debate.

Sir John Greenborough allowed himself one little indulgence with a suggestion that perhaps next year conference should adopt the secret ballot.

In fact, it didn't turn out quite as close as first announced — a simple addition sum by unusually astute

journalists pointed out the discrepancy of the figures called out by the tellers.

The final figures were 337 in favour to 321 against, a split not reflected on the platform, four of whom voted in favour and 14 against.

This, and the subsequent debate on the legal enforcement of collective agreements, was the chance for the grass roots to make known their feelings. No doubt the upper echelons of the CBI will be doing some assessments of the representativeness of conference. After all, under the endearingly simple one-man/one-vote system of the conference the widget maker from Warrington has the same voice as the ICI, GKN and other large members of the CBI.

If any other airlines ever introduce low-cost fares to Italy, we hope they'll prove as popular as ours have.

DESTINATION FROM LONDON	APEX RETURN	NORMAL TOURIST CLASS RETURN	APEX SAVES YOU
Genoa	£76.50	£192	60%
Milan	£75	£191	60%
Naples	£93	£268	65%
Pisa	£81	£210	61%
Rome	£87	£249	65%
Turin	£75	£191	60%
Venice	£81	£214	62%

APEX fares - minimum stay in Italy 7 days, maximum 3 months. Fares effective November 1st. Subject to Government approval. Subject to change without notice.

Having run low cost fares to Italy for many years we can fully appreciate why some other airlines are attempting to follow suit.

With Alitalia's APEX you just book and pay for your flight one month in advance, fly London - Italy direct,

and travel on your choice of any of our scheduled flights. And as an extra bonus we can also save you money if you wish to rent an Avis car there. See your Alitalia appointed travel agent for more details or complete the coupon below.

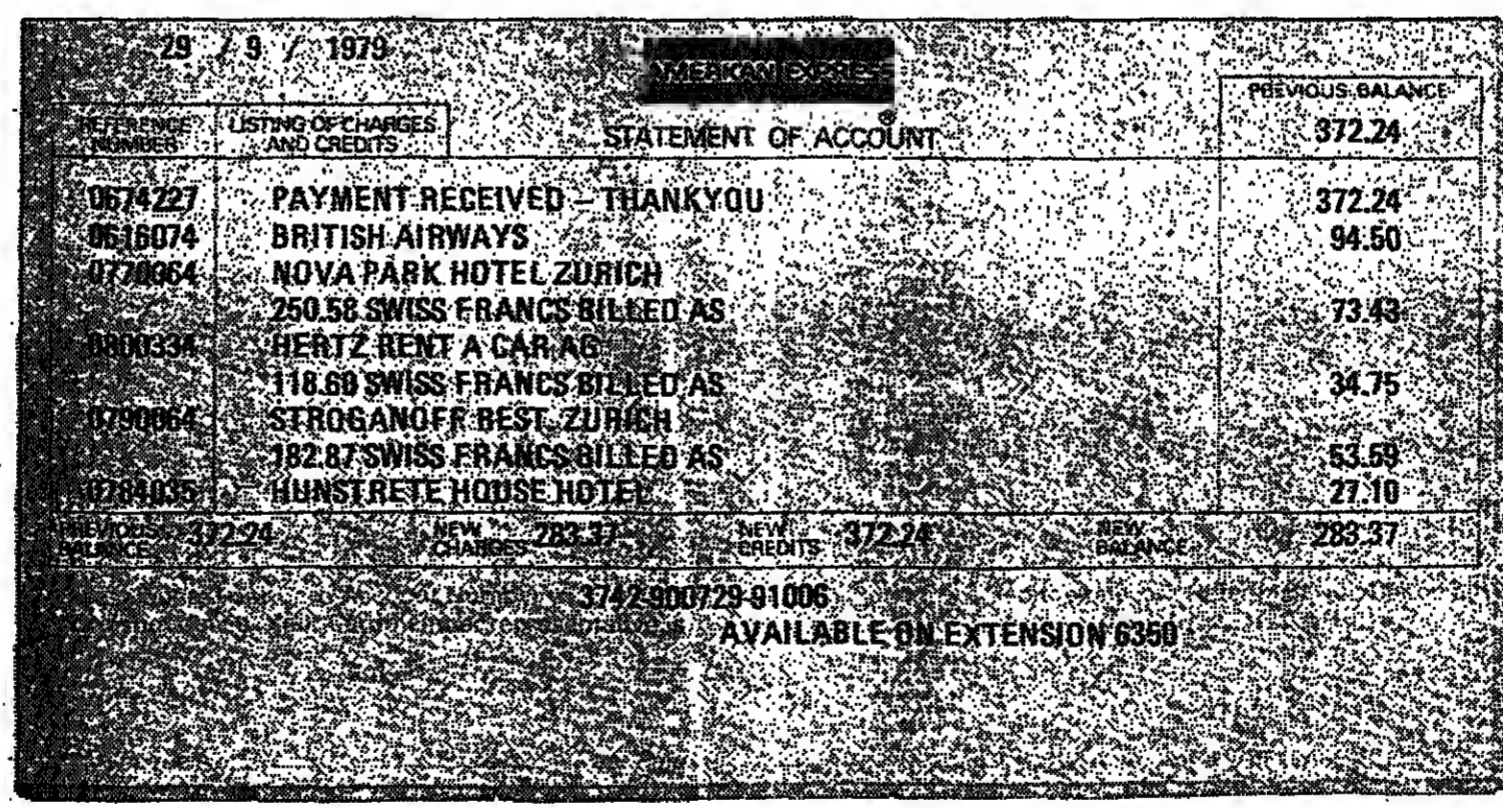
To: Alitalia, Dist. Dept., 251 Regent Street, London W1R 8AQ. Please send leaflet on how to save money to and throughout my visit to Italy (Offer applies to UK addresses only)

Name _____

Address _____

Alitalia

Isn't it time your company got its expenses together?



The statement above details an American Express Cardmember's business trip to Switzerland. He avoided the need for a large cash advance or company cheque by charging the air ticket to the American Express Card. He not only saved himself time and trouble, he automatically gained £35,000 Travel Accident Insurance free of charge. When he booked in at his hotel, he told the receptionist that he'd settle the bill by Company Card rather than Swiss currency. There were some people arranging a cash deposit at the car hire desk when he arrived. They were still there when he drove away in his hired car to a meeting outside Zurich.

After a successful meeting, he entertained his client for dinner at a restaurant in the city, where the Card was again welcomed. But it's his company who benefited most of all. Because throughout the trip he looked and acted like a professional businessman. He didn't get tied up in lengthy discussions about currency exchanges or cheques. And with no pre-set spending limit on the Card, he didn't have to worry about running out of funds. He just got on with his job efficiently, and let the Company Card take care of the details. About four weeks after he returned, his company received the statement of account above, together with uniform detailed receipts of each transaction.

At the same time similar statement packages were sent for all their other Cardmembers. From sales managers to the company chairman. A summary statement provided the accounts department with a clear overall view of all the previous month's expenses. Which they settled with a single cheque. The individual statement is only one facet of the simplest, most efficient system for dealing with business expenses. For fuller details of how the American Express Company Card System can be tailored to meet your company's own special needs, just cut out the coupon. And start getting your company expenses together.

The American Express Card for Companies — it's more businesslike.

To: The Manager, Company Cards, American Express Company, Freepost, P.O. Box 91, Brighton BN2 1ZQ.

Please let me have further details of the Company Card System for 10 or more employees regularly incurring business expenses.

Name Mr/Mrs/Miss _____

Position _____

Company/Name and Address _____

If you would like details of the system for 1-9 employees only please tick

American Express Company Incorporated with Limited Liability in the USA, Ltd. Operating Resident Visa Cardmember - United Kingdom and Ireland

UK NEWS—LABOUR

Post Office engineers reject strike ballot

BY PHILIP BASSETT, LABOUR STAFF

POST OFFICE engineering workers yesterday rejected an attempt by moderates to change union rules so that members would be balloted on whether to take industrial action, with a two-thirds majority necessary before calling a national strike.

The Government, which supports the holding of ballots to decide whether there is to be industrial action. Moderate union members claimed that the proposed changes would lead to greater democracy in the union. Mr. Brian Cox, from Preston, said the union needed to be strengthened because last year's work-to-rule campaign, which eventually led to the union winning a shorter working week of 37½ hours, did not have the full backing of members.

ballot would make sure that industrial action was not forced upon the union by a small minority. But Mr. Mike Ronaldson, for the union's executive, said that the best way to decide on important issues was through branch meetings. Ballots caused delays and favoured the employers. The conference also rejected a motion to alter its name. The executive proposed changing the name of the union to the Communication Workers' Union as part of an attempt to broaden its membership and move into the private sector.

Civil Service Union rejects merger plan

BY PHILIP BASSETT, LABOUR STAFF

MERGER PROPOSALS from Britain's biggest civil service union, the Civil and Public Services Association, have been rejected by the smaller Civil Service Union because of differences in size and structure and because of the political nature of the CPSA. At its annual conference in May, the CPSA, while rejecting a proposal to seek merger talks with the Society of Civil and Public Servants—in many ways the CPSA's natural union ally—decided to press for amalgamation with the CSU "as soon as possible."

the differences in organisation and structure between the two unions were too great for any merger to be realised to the satisfaction of the CSU. Mr. Moody also refers to the "delicate" point of the CPSA's record of political volatility and the fact that deep political divisions have been often aired in public. He says it would be "repugnant" for the vast majority of his members to see the character of the CSU change from its "consciously non-political" position. In a reference to the political make-up of the CPSA executive, Mr. Moody said that no member of the CSU national executive or any other committee owed his seat to an "identifiable political affiliation."

Lords reserve blacking appeal judgment

RECENT TRADE union law did not give unions a licence to injure "neutral and powerless" third parties not directly involved in an industrial dispute. Mr. Denis Henry, QC, argued in the House of Lords yesterday. A union could involve a third party—by secondary action—only if there was a good chance that such involvement would actually help the union's cause. For a union to act on the basis of "reasonable belief" in considering secondary action would be "a recipe for disaster."

The object of trade union laws was to grant immunities to unions to act as a "counter-balance" to employers' powers of dismissal and lock-out. "But Parliament has not put unions above the law," counsel said, "particularly when they are dealing with innocent third parties." This was the first time that the Lords had been asked to define the limits which should be applied. Lord Salmon commented that, in this dispute, anything capable of putting pressure on the Press Association so that it was likely "to go out of business" must be helping the provincial journalists because their papers could not stand up unless they got their information from the agency. Lord Scarman said that point also "worried" him. The Law Lords, headed by Lord Wilberforce, reserved judgment to a later date.

Smallpox death summons fails

BIRMINGHAM University was cleared of blame yesterday for the death from smallpox in July last year of Mrs. Janet Parker, 40, a medical photographer. Birmingham magistrates dismissed a summons brought by the Health and Safety Executive alleging that the university failed to ensure the safety of employees in its medical school, where a killer virus was being researched. The executive is considering an appeal. But Mr. Clive Jenkins, Association of Scientific, Technical and Managerial Staffs general secretary, said after the verdict: "This flies in the face of all the evidence presented to the court."

Linwood decision stands

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SHOP STEWARDS at Chrysler UK's Linwood plant have failed to persuade the management to rescind its decision to sack 1,250 workers. The 300 stewards, who met yesterday, postponed plans to call a meeting of the workers later this week and said that there was no suggestion at this stage of industrial action.

They added that the company was in breach of agreed procedures and began talks with it on a work-sharing scheme. Chrysler UK, owned by Peugeot-Citroen, said last week that it was ending the night shift at Linwood to reduce losses, which reached £17.4m in the first half of the year.

Shipyard men warned on orders

BY OUR LABOUR STAFF

UK SHIPBUILDERS should keep to delivery dates if they wanted British shipowners to place more orders with home yards. Mr. Jim Slater, general secretary of the National Union of Seamen said yesterday. Speaking at a shipbuilding

delegates' conference of the General and Municipal Workers' Union, the second-largest union in the industry, Mr. Slater came close to suggesting that labour problems at shipyards caused the loss of orders to foreign competitors.

NEWS ANALYSIS — DOCK LABOUR

After Hunterston . . .

BY NICK GARNETT, LABOUR STAFF

THE GOVERNMENT has now embroiled itself on two fronts, one by accident, the other more by design, in the sensitive issue of dock labour. In its first intervention to settle a union dispute it has been forced reluctantly to start the process that will add Hunterston to the list of about 80 ports operating within the dock labour scheme. This will result in dock work, other than on handling, being reserved for registered dock workers.

secretary, has given Mr. Prior an "explicit" assurance that unions will not bring up the issue of other ports during the Hunterston process. Employment Department officials believe that objections from other groups are unlikely. Nevertheless, the Government obviously opens itself up to possible objections on status of other ports. The Essential (Dock Labour) Order of 1941 introduced dock labour schemes, controlled jointly by employers and unions, into the main ports. Five years later, the Dock Workers (Regulation of Employment) Act replaced the temporary post-war schemes, to provide the basis for employment regulation in most ports. The scheme was administered by a new National Dock Labour Board.

decade and-a-half through centralisation and changing trade patterns with the EEC. This has been particularly marked at Felixstowe. At the bigger non-scheme ports, work is fully decasualised and in the hands of the traditional dockers' union, receiving similar or better pay than in the scheme ports. Dockers technically do not have to be registered. Neither do employers. As a result in some smaller ports there are still what the unions would term "cowboy" operators, occasionally using non-union labour. Job security is not as tightly regulated in non-scheme as in scheme ports. In the latter redundancies are voluntary, and the severance payments scheme generally provides more money than redundancy payments in non-scheme ports.

This statute, which would have effectively brought many more ports into the dock labour scheme, has not been put into effect because the scheme through which it would operate was defeated in the Commons. The scheme, which would have involved reservation of work for registered dockers within a half-mile of the quay, was defeated by the vote of Tory MPs. The irony, particularly about Hunterston, is that the Conservative Opposition have been set against expanding the dock labour scheme. The procedure to alter the status of Hunterston begins with the Government publishing a draft Order to it to the list of scheme ports. There are then 40 days for objections to the draft.

Under this arrangement registers of employers and workers were controlled by local dock labour boards, and all dock work in scheme ports was reserved for registered men. One of the principal weaknesses of this arrangement from the union point of view was that only about a sixth of registered men were employed on even a semi-permanent basis. The rest were casual workers. In 1967 an amendment order to the 1946 Act brought in the present dock labour scheme, with virtual decasualisation in the scheme ports by allocating the work of a rapid decline in registered dockers jobs. Employment has fallen from 80,000 in 1951 to 26,000. Scheme ports include all the major ones, such as London, Liverpool and the Clyde, as well as most middle-sized ports. Under the scheme all dock work is done by registered dock workers except for certain specific jobs at a number of industrial ports. All employers must be registered.

NUPE attacks council rises

THE National Union of Public Employees yesterday attacked the Labour-controlled London Borough of Southwark for planning to spend £805,000 in pay rises for its top officials. The council, considering a 5 per cent spending cuts in line with Government policy, said the pay increases were necessary for it to retain staff.

WASHINGTON, D.C. A Renaissance of Graciousness. A luxury hotel in the great European tradition. THE MADISON. 12th & M Street, N.W., Washington, D.C. 20005. Tel: 64245 or see your travel agent Marshall E. Coyne, Proprietor.

There are two No.1 computer companies. If you don't know the difference, it could be costing you money.

Your DP specialists have known us for years. But it's now time for you to meet us—Digital Equipment. We're the company that brought the computer out of the air-conditioned room into the real world. We can rate ourselves No. 1 because we lead in almost every computer product area except big batch-oriented mainframe computers. We make the broadest product range in the industry. No. 1 in minicomputers. No. 1 in advanced micro-computers. No. 1 in terminal products. We're No. 1 in interactive computing—where ordinary people talk directly with computers in ordinary language. These are the products and concepts which allow management to distribute computer power. Put the computer where the work is, so making work more productive. This is giving a new competitive edge to many companies today. We can make it work for you in more ways than any other computer company. So put us on your short-list. You could have a lot to gain. We'll talk cost of ownership. And increasing the productivity of individual



WHAT DO YOU MEAN, IT'S OBSOLETE?

employees. How we can help you get a better management overview and the clearest, most up-to-date situation reports ever. And the comprehensive nature of our capability—right down to guaranteed service contracts, which no other company offers.

We're obviously not No. 1 in size. Big, big computers were going a long time before we and our interactive computer approach came into the world. But that world, we promise you, is changing fast.

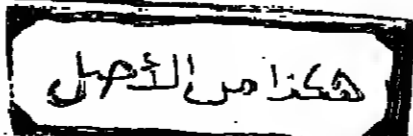
If you'd like to know more good reasons why our name should figure on your next computer short-list, please use the coupon.

My application is Name Title Company Address City Telephone Ext. Send to: Terry Clarke Digital Equipment Co. Limited, Digital House, Kings Road, Reading, RG1 4HS



Digital Equipment No.1

(But not the one you first thought of)



COMPANY NOTICES

Banque Nationale de Paris in Rotterdam

Banque Nationale de Paris is increasing its activities in the field of assistance to international trade, particularly in connection with the main harbour centres of Northern Europe, and announces the opening of an Agency in Rotterdam, the largest port in the world. Owing to its privileged geographical location at the outlet of the Rhine and of the Meuse, Rotterdam with its fluvial, railway and road network, is one of the largest access gateways towards the countries of the Common Market. The new Rotterdam Agency will reinforce the activities of the B.N.P. Amsterdam branch, particularly in developing commercial relations with the large Dutch and foreign companies engaged in raw materials trading, and more generally in international trading. Mr. Jean Wehner is the Manager of the new Rotterdam Agency, which is located at the following address: ROTTERDAM BUILDING 45 AERT VAN NESSTRAAT 3012 CA ROTTERDAM Telephone: 11.28.80 Telex: 25001

RESIDENTIAL PROPERTY

Spain Costa del Sol and Majorca RESIDENTIAL PROPERTIES & HOTELS FOR SALE MORTGAGES ARRANGED Spratley & Co Chartered Surveyors 29 King Street, Covent Garden, London WC2E 8JD Telephone: 01-636 7372/01-240 3621 Telex number 285332 Associated Office: 121 Princes Street, Edinburgh EH2 4AD Telephone: 031-225 8299

LEGAL NOTICES

COURT OF SESSION, SCOTLAND A PETITION has been presented to the Court of Session, Scotland on 2nd October 1979 by Hampton Trust Limited, 21 St. Andrew Square, Edinburgh for Confirmation of Reduction of Capital. All parties claiming an interest are invited to lodge answers thereto, if so advised, within 14 days of today's advertisement. Of all which intimation is hereby given. W. & J. Burness W. S. 12 Hope Street Edinburgh, EH2 4DD Solicitors for Petitioners

CLUBS

EVE has put the others because of a policy of fair play and value for money. Sundry from 10-3.30 am. Open and too many to list. 109, Regent St. 734 0827. GARGOYLE, 55, Dean Street, London, W1. 11-2.30. 109, Regent St. 734 0827. AS YOU LIKE IT

RESIDENTIAL PROPERTY

ATTENTION PENSION FUNDS INSURANCE COMPANIES DEVELOPERS. COTE D'AZUR CAP D'ANTIBES Genuine provençal mas (small farmhouse), well restored, large living-room, 4 bedrooms, 3 baths, study, swimming pool, garden, mature trees. 2,100,000 French francs S.S.I. Telephone (93) 20 59 59 25 bis boulevard Kennedy 06800 CAGNES SUR MER FRANCE Telex OREM 470673F

ANDORRA Why not take advantage of currency exchange control relaxation to buy a holiday home in tax free Andorra. We offer the best properties at the lowest prices. Write to Judy EHL: INVICO S.L. Av. Meritxell 28 Andorra la Vella Principat d'Andorra

KINGS ROAD CHELSEA JUST OFF BEST PART. Beautifully renovated house, in absolute little town, with terrace for sunbathing. 2 bedrooms, 2 bathrooms, living room, dining room, kitchen, study, 2 balconies, C.I.R., conservatory, fitted kitchen, etc. etc. etc. See us for full particulars of this superb property. Property for sale in central London. Property for sale in central London. Property for sale in central London. Tel. 033 9478 to 10-3.30 am.

ANTIGUA, WEST INDIES - island of Antigua for holiday, superb, historic, BRITISH VILLAS VACATION HOMES, 21 St. Andrew Square, Edinburgh Tel. 031-225 8299

LECTURES

GRESHAM LECTURES IN MUSIC Women, Folk and Pop by Professor W. Maddox Three one-hour lectures at The City University, Northampton Square, EC1, at 1.00 pm, November 9, 16 & 23 ADMISSION FREE

The bodyshell of the Renault 14 hanging in the Arts Centre Beaubourg, Paris. The finished piece is on view at your local Renault dealer.



The French think it's a work of art. Even without sculpted seats, rear fog light, quartz clock, electro-magnetic centralised door locking, rev counter,

rear windscreen wiper, tinted windows, 1360c.c. engine, head restraints, electric front windows.



DRIVE INTO THE 80's THE NEW RENAULT 14TS.

The Renault 14 TS, £4044 includes 15% VAT, 10% discount on delivery. For details of Fleet sales, business and professional leasing or a brochure, write to Renault UK Ltd, Box 7, London, W3. For export details, write to Renault UK Ltd, Westbury, Wiltshire, SN25 4JF. For a copy of our 435 dealers about low rate Renault Loan and Insurance plans, West End showrooms, 100, Strand, London WC2R 0AL. Renault UK Ltd, Westbury, Wiltshire, SN25 4JF.

Technical Page

EDITED BY ARTHUR BERNETT AND TED SCHOETERS

DATA PROCESSING

Data is carried by light beams

WHILE A good deal has been said about linking computer central processors and their peripherals by high capacity glass fibre light guides, the recent announcement by IBM scientists in Zurich that they had evolved a way of transmitting data between such units by broadcasting it on infrared wavelengths is novel.

This experimental work could prove useful for the increasing number of computer systems that employ small, local terminals performing individualised tasks, such as sorting cheques, controlling movement of inventory, supervising the activities of industrial robots, etc.

Wireless data transmission may be especially suitable in large room offices and factory floor or warehouse environ-

ments. Radio waves also could be used for wireless data transmission, but infrared waves are not susceptible to electronic interference, and are more easily confined to transmission within a desired area of reception.

Experiments were conducted at the Zurich Research Laboratory with a 64,000-bit per second infrared transmitter and receiver using carrier modulation as in radio broadcasting. Scientists visualise an infrared data communications system in which each terminal on the floor of the working area would be equipped with light-emitting diodes (LEDs), for sending the infrared signal, and photodiodes for receiving. LEDs are small and cheap devices that can be made to emit most of their light in the

infrared spectrum. The wavelengths are in what is known technically as the "near infrared," close to the range of visible light. Wavelengths in the rest of the infrared region are sensed as heat, and would not be suitable for communications.

A central infrared station, installed in the ceiling of the room, would be the main control point for all the terminals. The station would poll each terminal in turn, asking, in effect, "Do you have any new data for me?" and the terminal would reply, on a different frequency.

Terminals today are usually connected by copper coaxial cables to the host computer or to a central controller that communicates with the computer over phone lines if the computer is somewhere else.

This means that every time a new terminal is needed, a new cable needs to be run. The cost of strapping wire is expensive and is not expected to go down because of the labour involved in putting the wire into place.

The IBM scientists assumed a data transmission rate of 10 to 20 kilobits per terminal, in which case a 64 kilobit line might be able to handle from 18 to 64 terminals, depending on the polling technique used and the rate at which any particular terminal might have data to transmit.

PROCESSING

Keeps the beer bright and clear

ONE OF the most difficult problems in brewing is the recovery of bright beer from conditioning (or lagering) tank residuals, traditionally known as "tank bottoms." These residuals, which contain a mixture of dead yeast, protein matter and perhaps finings (isinglass) are drawn off from storage tanks for treatment principally to recover as much beer as possible from the slurry.

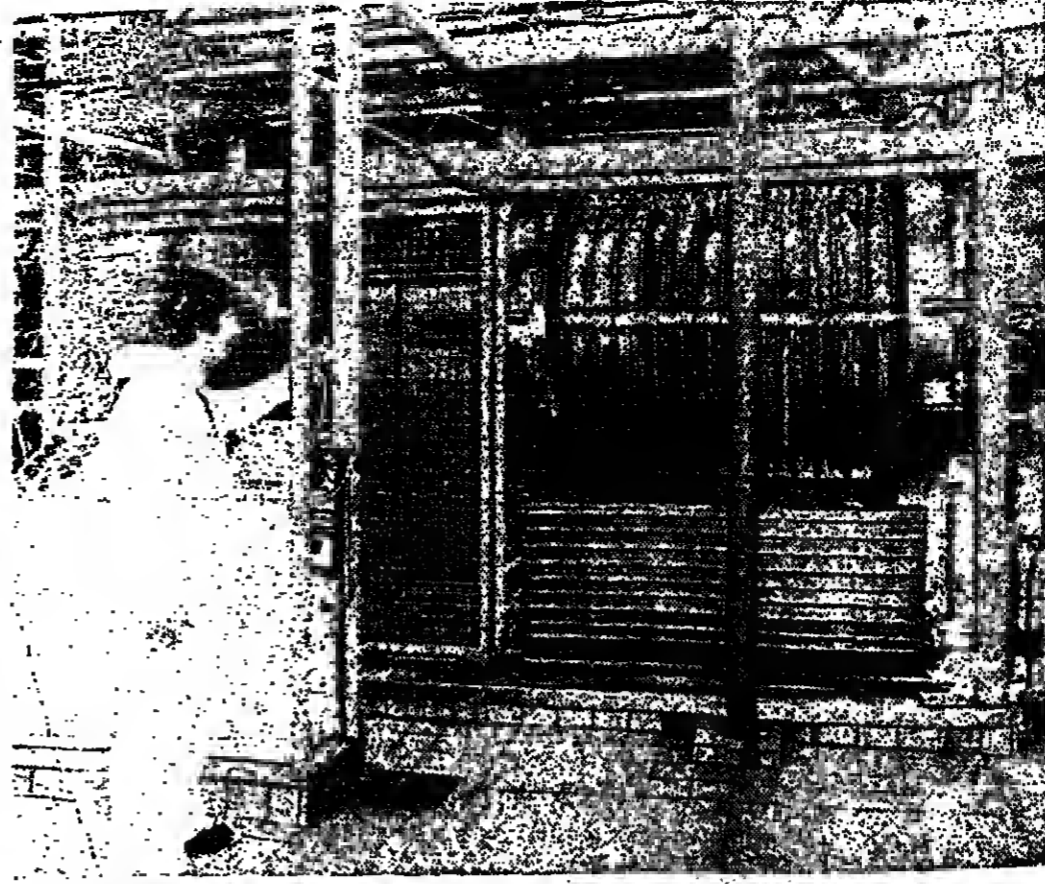
Problems arise because solids present in tank bottoms can be as high as 25-30 per cent on a volume/volume basis and they have an extremely "blinding" character.

Stella-Meta Filters (Permutit-Boby) tackled the problem and solved it with a high solids separation/de-watering OMD filter system.

The first order for production Stella-Meta OMD filter units was placed by Scottish and Newcastle Breweries for tank bottoms beer recovery duties at its New Fountain Brewery, Edinburgh, after an intensive initial proving programme and subsequent operation on a regular production basis of a pilot scale unit over a 10-month period.

The brewery now has three 260 square foot OMD filters in operation—two at New Fountain and one at the group's Tyne Brewery, Newcastle.

Comparable systems are also in service with, or on order for, a



A Stella-Meta OMD filter discharges de-watered cake at the end of its operating cycle.

number of other UK and overseas breweries. Some of these selected the filter after seeing its capability to recover bright beer in Edinburgh.

This design is a horizontal tank pressure filter fitted with vertical elements which comprise circular leaves covered with heavy synthetic fibre textile membranes. The leaves are mounted into side drainage manifolds to promote unhindered cake discharge.

At the end of the filtration

cycle, and prior to discharge, the cake is compressed and de-watered by means of a patented diaphragm system. These diaphragms are flexibly mounted, one opposite each leaf face.

The filter cake builds up on the elements until contact is made with the diaphragms, whereupon the surface area available for flow is greatly reduced. The filter leaves and diaphragms are normally set to permit the build up of a 50 mm

(2 in) thick cake on each filter leaf face.

At this terminal stage the flow rate will fall, while the pressure differential across the system increases, the cake being compressed by the flexibly mounted diaphragms. The filter is opened and the compressed cake is vibrated from the leaves using the Modulair vibrator system.

Permutit-Boby, 632, London Road, Isleworth, Middlesex, TW7 4EZ. 01-560 5199.

War of the giant machines

ANTICIPATED mid-term enhancements to the top of the range IBM machines, announced in the U.S. at the weekend, reveal the existence of two new N-series processors that have 1.3 to 1.8 times the performance of the 3032 and fall in the category of machines around the 1M level.

Interesting in the announcement is that the new units can be expanded on site to turn them into 3033s. 3033s, with attached processor and multiple 3032s. This means, in effect, that the top of the range group increases from three to notionally five machines. Underlining this impression is the fact that IBM has also announced price cuts of 20 per cent on the 3032 and 3031 processors (and one of 15 per cent on the 3033).

Deliveries of the new machines to customer sites in the U.S. will begin in the first quarter next year. Upgrading will start one year later.

The same delivery schedules apply in Britain and the new machines will be built both in Havant and in Montpellier.

A typical system with 8m characters of main memory, 12 channels and certain other essential components will sell in the U.S. at \$2,365,000 and in Britain at £1,105,964, rental in this instance being £47,167 per month.

Just to illustrate how closely all the moves of the industry leader are being watched and paralleled, Amdahl announced in London, before IBM UK was ready with full information on

its new product, the advent of the Amdahl 470 V/7B which the company describes as a further extension of large machines designed for on-line and batch working.

This new machine provides throughput of about 60 to 65 per cent up on the V/7 and, as could be expected, is field-upgradable to V/7A or V/8 machine levels. It can also be used with the accelerator equipment announced by Amdahl a few months ago to provide an increase in performance against peak loads of some 20 per cent on a single operator command.

It is available with 4 or 8 Mbytes of main memory and 8, 12 or 16 channels with a 32k buffer.

First customer deliveries are for March next year.

Help in making blends to complex formulae

MIXING OF raw materials to produce a suitable blend for the final product is an activity carried out in a variety of industries from steel to food, paint and chemicals.

Specialists have often spent thousands of man-hours working out the parameters of the blend but when it comes to production, a shortage, or a fluctuating cost of raw materials, can cause problems if the end product mix

is to remain within its specification and within sensible price levels.

To overcome this, Seicon Computer Services of Milton Keynes has developed SCIMIX—a computer method aimed at producing least-cost formulae in any process where raw materials are blended together.

Available as a complete service, together with professional advice on the use of the

system, it can be tapped via the Seicon bureau in Milton Keynes, or by computer terminals at Seicon regional offices, or on the user's own premises. The user does not require specialist computer knowledge in order to use the system.

SCIMIX is capable of solving a multi-blend problem, that is a problem of matching several blends simultaneously. This has particular application where one is trying to allocate limited stocks of available materials to several blends in the best overall way, thus promoting better efficiency and higher cost effectiveness in production.

Users can operate the system in a question and answer mode

and automatically calculate the most economic solution for the process formulated from the given information.

The purpose of cost evaluation is to test the usefulness of a particular raw material at various price levels. Usefulness is taken to be the amount of the particular blend or blends being evaluated. The resultant information gives the true value of a raw material in the blends that are being made, thus enabling the correct mix of raw materials at least cost to be established in order to meet an overall final product specification.

Seicon at Brick Close, Kiln Farm, Milton Keynes, MK11 3EJ. 0998 565656.

Frozen Assets

Winter just wouldn't be the same without a glass of Martini Dry.

Because ice enhances the clear, crisp taste of Martini's unique blend of fine herbs and spices.

Ice in Martini, up to the original standard.

Well, it's so that.

MARTINI

Extra Dry. The original.

هكنا من العنبر

The Queen decorates Norgren Air Aces

Makers of the unique Olympian 'plug-in' system and world leading suppliers of compressed air processing equipment.

M NORGREN LTD

PACKAGING

Where the labels go

APART FROM their wide use in the retail trade, self-adhesive labels are being used more and more in the rapidly growing computer and business administration markets.

New applications are being discovered all the time—in industry, commerce, travel, etc.—and these are the subject of a market report produced by Labels and Labelling, 10 Torrington Drive, Potters Bar, Herts.

"A guide to the use and market applications for self-adhesive labels" contains information about some 90 uses which is hoped will be of value to label producers and users.

Printing on labels

ABLE TO print or overprint variable and standard information on to any type of heat-activated labelling product, self-adhesive, heat-seal and gummed labels, perforated tickets, tags and sew-in cards, is the Centaur from Norprint, 98, West Street, Boston, Lincolnshire (0205 65161).

Type of material used for tickets or tags presents no problem to the printer which can handle any problem paper, board and fabric, says the maker.

It is supplied with either a rewind unit which automatically rewinds the printed items into a reel, or a guillotine with stacker which enables them to be cut singly or in various multiples and stacked.

Equipment includes a special interchangeable duct inking system which allows the ink colour to be changed within three minutes and no "washing down" is required as ink can remain on Centaur for extended periods.

INSTRUMENTS

Will sense overheating in circuits

RATHER THAN protect the area or room in which electro-equipment is installed, a device from Fire-Reliant of Southport is small enough to be mounted in the equipment itself.

It is based on miniature, one shot, temperature sensitive closed circuit switches which cut power if overheated.

There is no chance of the

contacts becoming welded, which is possible with conventional thermostats; each device, measuring only 11 by 4 mm contains a solid heat-sensitive chemical pellet which melts and flows at a closely controlled and predictable temperature. Melting of the substance allows an otherwise restrained trip spring to break the electrical contact positively and permanently.

Two of the devices are installed, one operating at a higher temperature than the other—one will give an "early warning" alarm and if no action is taken the other will be triggered (to cut the power supply) at the higher temperature. Available temperature range is from 63 to 242 degrees C.

Upper Aughton Road, Southport, Lancs. (0704 64617).

Controller for sheet extruders

A PROFILE control unit which operates with the established 5000 Series microcomputer measurement and control system can now be supplied by Nuclear Enterprises, Bath Road, Beenham, Reading RG7 5PR (073 521 2121).

Continuous thickness measurements across the extruded

sheet are precisely related to calculated zone averages corresponding to the die bolts of the extruder. Each average in turn is compared to a target value for that zone and the deviations transferred to the profile controller.

The data is then translated into signals to adjust the individual dimensions of the

Autoflex die lip to provide flat or special profiles.

Control is co-ordinated with a built-off speed control for optimum rates of average thickness and profile.

A considerable improvement in product quality is claimed, combined with savings in raw materials—an increasingly important consideration.

PHOTOGRAPHY

Prints in colour at high speed

AGFA's Colormator 7565 can turn out 14,000 colour prints an hour and is claimed to be the fastest high-performance automatic printer in the world.

It accepts 110, 126 and 135 size films and rolls of colour paper in these different widths. High print quality is guaranteed by an integral ADK (automatic density correction) selector which is standard equipment.

The new machine is simple to operate and its automatic functions prevent errors.

Annual capacities of up to 20m exposures are being obtained with the Colormator 7560, predecessor of the new machine. Users can expect higher economy with the latter because of its large paper capacity: the magazine of the printer holds a roll of paper 550 metres (1,805 feet) long. Printing is possible on paper rolls 7.6, 8.9 and 10.2 cm (3.3, 3.5 and 4 inches) wide.

Colour results have been further improved by considering density and colour dominants in negatives and the 7565's new lighting system is a major factor in achieving high capacity.

Arfa-Gevaert, 27 Great West Road, Brentford, Middx. 01-560 2131.

LET YOUR BUSINESS GROW IN INDUSTRIAL CUMBRIA

For details contact: Bob Childer, Industrial Promotion Officer, Cumbria County Council, 84 Warwick Road, Carlisle, Cumbria CA1 1DZ. Telephone: Carlisle (0228) 23456.

LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of

LOCAL AUTHORITY BONDS

on offer to the public

For advertisement details please ring B. Kelaart

18 8000, Extn. 266

ATALANTA

Manufacturers of Generators & Pumps

ATALANTA Engineering Ltd, Harwood Trading Estate, Harwood Lane, Claxton, Rye, East Sussex. Telephone: Chichester 6225. Telex: ATALANTA CHERTNEY SURVEY.

electrical wire and cable?

NO MINIMUM ORDER **ANIXE** NO MINIMUM LENGTH

Thousands of types and sizes in stock for immediate delivery

LONDON 01-561 8118 • ABERDEEN (0224) 724333 • GLASGOW (041) 332 7291/2 • WARRINGTON (0225) 810121

TRANSFER CALL CHARGES GLADLY ACCEPTED

24HR. EMERGENCY NUMBER 01-637 3557 Ex 408



Shouldn't the car outside your office match your performance inside?

The Vauxhall Carlton two-litre is no slouch by anyone's standards.

From standstill it can reach 60 mph in as little as 11.2 seconds.

And thanks to its classic aerodynamic shape, it will go on accelerating to a top speed of 107 mph.

Nor is the car any cause for concern at the Department of Energy.

At a steady 56 mph (is there anyone who actually drives at a steady 56 mph?) the Carlton returns 38.7 mpg. More realistic, perhaps, are the returns on a steady 75 mph: 30.7 mpg, and on the Urban Cycle: 24.4 mpg.

IT GETS ON WITH THE JOB WITHOUT MAKING A SONG AND DANCE OF IT.

While the speedometer provides visible proof of the car's performance, there are thankfully none of the more intrusive reminders.

Wind noise, for example, is uncannily low, even at speeds well over the legal maximum (that slippery shape again).

Road noise, too, is suppressed at source by generous heavy duty rubber bushings in the suspension.

While the passenger compartment is still further insulated from noise of any kind by the wall-to-wall cut pile carpeting (it even has separate underlay).

Handling and braking, thanks to all-round coil springs and dual circuit brakes with front discs, are equally impeccable.

IT'S WELL APPOINTED, BUT WITHOUT BEING FLASHY.

Carlton is so well equipped that the only options you can ask for are power steering, alloy wheels and a sunshine roof.

Everything else you might regard as being important is already present.


The seats are covered entirely in rich velour cloth, but have just the right degree of firmness (important for long distances).

You can even adjust the driver's seat for height, as well as for reach and rake.

Adjustable head restraints are standard at the front while a central armrest is standard at the rear.

There's a push-button radio, quartz clock, cigar lighter and two-speed wipers with intermittent wipe.

And a comprehensive (but thankfully comprehensible) heating and ventilation system with a four-speed blower fan.

Look over a Carlton at your nearest Vauxhall dealer. **VAUXHALL**  **CARLTON**

We think you'll find that it's a remarkably good match.

UK NEWS—PARLIAMENT and POLITICS

Mortgage rates likely to rise in January

BY JOHN HUNT

NEB to decide sales timing



Sir Keith Joseph

DECISIONS ON the timing of the disposal of particular assets by the National Enterprise Board will not be dictated by the Government, Sir Keith Joseph, the Industry Secretary, assured the Commons last night.

At the same time, he gave a broad hint to the NEB not to delay too long in helping Ministers to discharge their election commitment to reduce the size of the public sector.

Some of the NEB's holdings, Sir Keith asserted, were already "mature enough to stand on their own feet," while others would need more time before they were ready for disposal.

He was subjected to repeated interruptions from the Opposition benches when moving the second reading of the Industry Bill which seeks to reduce the powers and role of the NEB.

Mr. John Silkin, Labour's Shadow Industry Minister, denounced the attempt to force the NEB to sell off public assets at "bargain basement prices."

He suggested that an incoming Labour Government would have to consider the imposition of import ceilings on manufactured goods and also making industry subject to compulsory planning agreements.

Sir Keith argued that the policies of the last Labour Government, through maltreatment of savings and capital, had made it necessary to establish the NEB. There should be no need for public sector finance in manufacturing industry if private savings and private enterprise were treated properly.

Sir Keith commented that the NEB had tried to operate as if it were a commercial holding company, but its immunity from insolvency meant that it had been insulated from commercial disciplines.

Apart from enabling the NEB to make substantial disposals of its existing holdings, the Bill would also largely confine its future activities to a limited role in relation to advanced technology companies and companies in economically assisted areas.

Sir Keith stressed that it would be for the NEB itself to judge when it was in the best interests of the taxpayer and the individual companies concerned to put its assets on the market.

Some of the NEB's investments were not "ripe" for sale to the private sector and it would be an ill-service to the taxpayer and the companies concerned not to allow a further period of gestation.

But while not requiring the NEB to sell off any of its holdings immediately, he looked forward to the time when disposals were accepted as a natural part of its activities.

THERE IS very little hope of preventing an increase in mortgage rates in January, Mrs. Margaret Thatcher told the Commons yesterday when she clashed with Mr. James Callaghan, leader of the Opposition, during Prime Minister's question time.

She also came under heavy pressure to predict the course of interest rate generally, but refused to be drawn on the subject.

Her remarks came shortly after Mr. James Prior, Employment Secretary, had given a very pessimistic economic forecast during questions to his department.

Mr. Prior told the Commons: "We are now entering into a pretty fierce world recession with the number of unemployed already twice what it was in 1974. I must say I think the outlook is pretty bleak."

He refused to forecast the level of unemployment over the next 12 months, but added: "I have made no secret of my view that over the next year or so unemployment will rise."

Mr. Callaghan challenged Mrs. Thatcher over a remark made some time ago by Sir Geoffrey Howe, Chancellor of the Exchequer, that it would only be a matter of weeks before minimum lending rate

came back down from 14 per cent to 12 per cent.

"Do you expect it to come down?" he asked bluntly.

Mrs. Thatcher replied that in her opinion it was most unwise to forecast or say anything at all about interest rates.

Returning to the attack, Mr. Callaghan asked if this meant that home owners must reconcile themselves to an increase in mortgage payments next January or whether the Prime Minister proposed to intervene once again to keep down the mortgage rates.

Retorted the Prime Minister: "I think there is very little

hope of getting down the proposed increase in mortgage rates."

But had this Government undertaken the expenditure proposals of the previous Government then borrowing would have been infinitely greater, taxes higher—both income tax and Value Added Tax—and interest rates even higher than they are now."

Another Labour backbencher, Mr. Eric Heffer, (Labour, Liverpool Walton) recalled that Mr. John Biffen, Chief Treasury Secretary, said last week that 300,000 more people would be out of work as a result of Government policy.

He wondered what Mrs.

Thatcher had to say to people who would be unemployed.

The Prime Minister reminded him that Mr. Denis Healey, when he was Labour's Chancellor of the Exchequer, had said that no one could predict with any hope of accuracy the path of unemployment over the next few years.

She happened to believe the same. Another Labour backbencher, Mr. William Hamilton (Fife Central) drew angry protests from the Conservatives when he said that because of accelerating de-industrialisation and unemployment, Mrs. Thatcher was known in Scotland as "not so much as an iron

lady, but as a myopic petty little tinpot dictator."

Mrs. Thatcher told him that no Government could keep yesterday's industries in existence unless they were competitive with overseas industries.

"The tragedy of this country is that many people as consumers reject the products of their fellow wage earners because they are not sufficiently 'good value', she maintained.

With the Hunterston dispute in mind, she said that in some cases the British taxpayer had poured investment into Scotland and it had not been properly or fully used for many months.

Earlier Mr. Prior made

another appeal for unions to avoid strikes during the coming winter.

He warned that Britain was no longer in a strong enough position to weather professional strikes and lock-outs. "We simply cannot afford that luxury."

He commented again on the large number of unfilled vacancies at a time when "on paper" there were so many unemployed.

He agreed there were many people genuinely seeking work and unable to get it. But at the same time there were a large number of vacancies and jobs were not being filled.

Benn predicts disaster

By Our Parliamentary Correspondent

COMPLETE STATE ownership of North Sea oil and imposition of import controls to protect British industry were advocated yesterday by Mr. Anthony Wedgwood Benn. He predicted that the Government's industrial policies would end in disaster.

Mr. Benn said there was no future for Britain until a government was elected that made full employment the prime object of public policy.

There should be an Industry Act giving the Government the power to invest in British industry to secure sufficient production to fill the gap left by capital fleeing abroad. These developments should be financed by 100 per cent state ownership of North Sea oil.

Governments should secure a greater role for the trade union movement. To declare war on the people who represented those who created the wealth was an act of supreme folly by the Conservative Government.

Mr. Benn predicted that this would place tremendous strains on law and order. Already, some young people believed Mr. Whitelaw's "short sharp shock" treatment in detention centres was being introduced to prevent them demonstrating against Government policies.

Public urged to back Ulster proposals

BY PHILIP RAWSTORNE

MR. HUMPHREY ATKINS, Northern Ireland Secretary, yesterday appealed directly to the people of the province to support his attempt to break the political deadlock in Ulster.

Speaking in Ballymena, Mr. Atkins made it clear that the Government intended to go ahead with its plans for a conference on restoring some powers of self-government to Northern Ireland.

He urged the public to press its political leaders—whose initial reactions to the initiative have been hostile—to participate in the conference.

"This is not the time for apathy or standing back," Mr. Atkins declared.

"It is the time for action and decisions."

Recent measures had brought substantial improvements in the security situation, Mr. Atkins said.

The Government was concerned to build on this by restoring greater political responsibility to the people of Northern Ireland.

that the people of Northern Ireland should have a greater say in the way they were governed.

"For far too long now, Northern Ireland has had a serious gap in its governmental structure. The people know it. We, the Government, know it."

"So if we agree on the problem, let us, for goodness sake, put our heads together and see what we can do in a calm, rational and realistic atmosphere to come up with acceptable and workable arrangements," he declared.

Such arrangements would not please everyone and there would have to be give and take if solutions were to be devised, Mr. Atkins said.

He confirmed that the Government would publish shortly a number of options as a basis for the conference discussion.

These are expected to go before the Cabinet for approval this week and will probably be published about November 16.

The Government plans to debate the document first at Westminster in an attempt to persuade the Official Unionists to drop their initial opposition to an all-party conference.

Insider dealing changes

By Christine Moir

AMENDMENTS TO the Companies Bill which will make insider dealing a criminal offence, will be tabled as soon as possible, Mr. Cecil Parkinson, Trade Minister, said on the first day of the committee stage of the Bill yesterday.

The Council for the Securities Industry, the City watchdog, agrees fully with the concept of criminal sanctions against individuals who use confidential information to deal in securities.

It announced yesterday broad agreement with the draft clauses which the Government has already fore-shadowed.

However, it believes that an insider who gives a tip to a dealer is committing an offence. But, says the CSI, the clauses should be examined to ensure that a Stock Exchange jobber is not caught by the penal provisions.

Mr. Parkinson said that the clauses to tighten the rules under which companies may provide loans to directors will be introduced next week.

Tebbit orders Pool Fisher inquiry

THE TRADE Department has launched a preliminary inquiry into the loss in the Channel of a British coaster in which 13 people are feared dead, MPs were told yesterday.

Mr. Norman Tebbit, Trade Under Secretary, assured the Commons that the search for the missing crew members of the 1,028-ton Pool Fisher and one woman passenger "will continue while there is hope of saving life."

Despite severe weather, the search, involving three warships, six merchant vessels, two helicopters and four helicopters, goes on.

Rescue

Two survivors had been rescued and two bodies had also been recovered. Fourteen crew and one passenger had been aboard the ship when she capsized and sank west of the Isle of Wight.

Mr. Tebbit said: "We must all hope that the extensive search and rescue operation... will be successful in locating further survivors."

Responding to Opposition calls for greater surveillance in British waters, Mr. Tebbit said: "The best possible surveillance we can manage is being carried out."

"We are moving through the international organisations to

Technology job fears 'unrealistic'

NEW TECHNOLOGY should not lead to the massive levels of unemployment predicted by some forecasters, Lord Gowrie, Employment Minister, said yesterday.

Micro-electronics offered a better prospect for the industrial and economic future of the country—and hence employment—than probably any other advances since the industrial revolution he told the Engineering '79 Conference in Colchester.

"We cannot afford to be left behind because that would be a recipe for economic stagnation, or worse, and large scale unemployment."

"The danger is imminent: we are already falling to adapt quickly enough to the industrial applications of the new technology."

Fuller co-operation between management and workers would lead to the easiest and quickest introduction of the new technology.

Gloomy forecasters suffered from two main fallacies, he said. "One is that they tend to assume a static economy with manufacturing in continuing decline and the service sector losing the capacity to absorb labour shaken out of manufacturing; the other is the assumption that anything that is technically feasible will rapidly become industrial reality. Neither assumption is realistic."

Technology job fears 'unrealistic'

NEW TECHNOLOGY should not lead to the massive levels of unemployment predicted by some forecasters, Lord Gowrie, Employment Minister, said yesterday.

Micro-electronics offered a better prospect for the industrial and economic future of the country—and hence employment—than probably any other advances since the industrial revolution he told the Engineering '79 Conference in Colchester.

"We cannot afford to be left behind because that would be a recipe for economic stagnation, or worse, and large scale unemployment."

"The danger is imminent: we are already falling to adapt quickly enough to the industrial applications of the new technology."

Fuller co-operation between management and workers would lead to the easiest and quickest introduction of the new technology.

Gloomy forecasters suffered from two main fallacies, he said. "One is that they tend to assume a static economy with manufacturing in continuing decline and the service sector losing the capacity to absorb labour shaken out of manufacturing; the other is the assumption that anything that is technically feasible will rapidly become industrial reality. Neither assumption is realistic."

Tehran embassy 'outrage'

BRITAIN IS determined to maintain its Tehran Embassy despite the "turbulent, confused and dangerous" situation in Iran, Mr. Douglas Hurd, Foreign Office Minister, told the Commons yesterday.

In a statement about Monday's attack on the embassy by Islamic students and revolutionary guards, resulting in its occupation for about six hours, Mr. Hurd said it was "imperative that the Iranian Government fulfils its obligations and takes adequate measures to protect diplomatic lives and premises."

"Our embassies are increasingly at risk, but however hard one considers it, one is driven back to the conclusion that one can secure embassies physically against the intruder. But when an armed mob appears there is no escaping the fact that the responsibility for protecting the embassies must rest on the host government."

Earlier, Mrs. Thatcher condemned the takeover of the U.S. embassy by protesters demanding the return of the Shah to stand trial. It was "an outrage to diplomatic relations everywhere."

"We will do anything we can to help the U.S. achieve justice."

Mr. Hurd told Mr. Eldon Griffiths (C Eury St Edmunds) that the identity of the intruders and the motives for the attack on the British embassy were "still not wholly clear."

Mr. Griffiths had asked for an assurance that the Government "will be no party to arrangements to send back a sick man, the Shah, to meet the blood lust of the Tehran mob." Mr. Hurd told him he entirely agreed with his comments.

Mr. Griffiths urged the Government to draw up contingency plans in case oil supplies from Iran dried up, to avoid a "further scramble" for supplies. Mr. Hurd said the Government would be considering what action to take in this event.

The shadow Foreign Secretary, Mr. Peter Shore, "endorsed and reinforced" the protest made by the Government to Iran.

He urged that if there was a change of government in Tehran, Britain should expect the minimum standards of conduct in relation to our diplomats abroad. "Otherwise it is not worth having diplomats in a country which flagrantly abuses the rules."

He also called for urgent con-

sultation with other oil-consuming countries on the arrangements if supplies were interrupted.

The Minister said there were still about 500 British people in Iran but they were not under direct threat. "The attack on the embassy clearly had some political intention."

He added that a judgment would have to be made on whether British diplomats should be sent to a country in "such an insecure situation." But it was believed there should be diplomats in a country which is "going to be very important."

Mr. David Price (C Eastleigh) asked Mr. Hurd to consider whether it was right to "expose the wives and families of diplomats to the difficulties in Tehran." Is this not a case for unaccompanied service?

Mr. Hurd said: "The wives and families brought out of Tehran were allowed to return earlier this year."

"It is very difficult judgment to make. It is not sensible to ask people to remain unaccompanied in a difficult post for too long."

"But obviously, if the situation continues to be turbulent, confusing and dangerous, this is a judgment we will have to look at again."

London Clearing Banks' balances as at October 17, 1979

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

Table 1: AGGREGATE BALANCES. Table 2: INDIVIDUAL GROUPS OF BANKS' BALANCES. Table 3: CREDIT CONTROL INFORMATION (Parent banks only). Includes columns for LIABILITIES, ASSETS, and various bank categories with financial figures in £m.

Advertisement for World Courier and Eurolink. Text: 'Another 1st. for World Courier. Only World Courier collects vital documents up to 6pm. for delivery to New York and most major European destinations by 9 to 9-30am. the following day.' Includes Eurolink logo and contact information for various cities.

Vertical advertisement on the right edge of the page, partially cut off, mentioning 'APPOINTMENT' and 'Kay'.

APPOINTMENTS

Kayser Bondor chairman change

Dr. G. E. Turner has been appointed to the Board of KAYSER BONDOR as chairman. He succeeds Mr. C. A. Hogg, who has resigned from the Board following his recent appointment as chief executive of the Court-aids Group.

The INDEPENDENT BROADCASTING AUTHORITY has appointed Mr. James Conway to the new post of London area officer.

Mr. Henk Reijnders has been appointed managing director, designate of DUNLOP ENKERSKA BV, Drachten, Holland, which manufactures conveyor belts for Continental Europe and is part of the Dunlop Belting Group. He will succeed Mr. Peter Vries who will shortly be taking up an appointment with the Dunlop Overseas Group in London. Headquarters of the Dunlop Belting Group are at Speke in Liverpool.

Mr. Jack E. Bamster has been appointed vice president broadcast systems Europe, the Middle East and Africa by ECA INTERNATIONAL LIMITED (UK). He succeeds Mr. Patrick J. Murray, who has retired.

Mr. Frank X. Marshik has been named a vice-president of worldwide sales by the POLL-MAN KELLOGG division of Pullman Incorporated with commercial responsibilities for North America, Latin America and the Far East. He will continue to be based in Houston.

Mr. Jack Bevins has been appointed company secretary and Mr. Neil Kershaw, chief accountant of COMPOUNDING INGREDIENTS, Manchester.

Mr. Philip G. Edwards has been elected to the Board of DEBRETTS' PEERAGE. Mr. Edwards is an investment adviser with offices in London and Zurich.

Mr. Trevor Williams is to become Director of the HENLEY CENTRE FOR FORECASTING from January 1. He is at present an adviser on technology projects to the Scottish Development Agency.

The Board of BROWN JENKINSON AND CO. of Barking has re-structured its executive role and the following responsibilities have been established: Mr. R. F. G. Smith, chairman; Mr. A. M. Marleed, administration, personnel, legal; Mr. E. G. Baker, liner trades; Mr. S. J. L. Birt, financial, data processing; and Mr. M. J. Allwood, commercial. Mr. J. D. Cowell and Mr. R. J. Nicola have left the group and Mr. H. C. Smith will retire from business early in the New Year.

Mr. David E. Nye has been

appointed executive director, administration; and Mr. Michael K. O'Connell, executive director, corporate finance, of CHEMICAL BANK INTERNATIONAL. The following become assistant directors: Mr. P. A. Bologna, Mr. S. R. Clasper and Mr. R. B. Tatgenhorst (banking and finance); Mr. A. P. Carmish (foreign exchange and money markets); Mr. I. W. Hopkins (tax and planning); and Mr. G. E. J. Fooley (international securities). Mr. W. D. Beardsley has transferred from the Midlands representative office of Chemical Bank to the Nordic and Netherlands Group of Chemical Bank, London. Dr. D. Colyn Gardner has been made manager of the Midlands representative office.

Mr. John A. Hancock has been appointed director of finance for



Mr. John Hancock

SAVILLS, surveyors, to control finance and administration.

Mr. George F. Brantingham has been appointed assistant managing director of TARMAC ROADSTONE (SOUTHERN). He will deputise for Mr. Dennis Body managing director of Tarmac Roadstone (Southern), and take over additional responsibilities within the company.

Mr. David Russell has been appointed director and deputy chief executive of the JOINT CREDIT CARD COMPANY (Access) to succeed Mr. Ralph Lewis, who has retired. Mr. Russell was previously manager of National Westminster Bank, New Oxford Street branch.

Mr. Ken Clowser has been appointed sales and marketing director of the architectural division of TUDOR SAFETY GLASS COMPANY, part of the Doulton Glass Industries group.

Sir Robin Gillett has been elected vice-chairman of the PORT OF LONDON AUTHORITY following the death of Mr. John Meyer. Sir Robin joined the PLA board at the beginning of this

year and is chairman of the PLA's Comprehensive Shipping Group. He was Lord Mayor of London (1976-77) during the Queen's Jubilee Year.

The following five exchange executives have been appointed by the CHICAGO BOARD OPTIONS EXCHANGE to new management positions: Mr. James M. Kelley has been named executive vice-president in charge of operations and marketing; Mr. Scott L. Lager becomes executive vice-president with responsibility for the membership and personnel areas of the exchange while continuing to oversee the legal and compliance units; Mr. Thomas N. Rzepski is now senior vice-president, research and planning; Barbara L. Kaplan has been made assistant vice-president of the exchange; and Mr. Joseph Marconi, director of communications and public affairs, will also be assistant vice-president of the exchange.

Mr. James McNicholas has retired from the board of AMES CROSTA BABCOCK, a member of Babcock International. He is succeeded by Mr. S. E. Greenhalgh. Also appointed directors of that subsidiary are Mr. J. J. Dennett and Mr. A. C. Lanouche.

Mr. Paul Thurston has been appointed by AB Asedabus of Victoria, Sweden, as head of ASEDABUS (UK), of Bushey, Hertfordshire.

Mr. Jan Brockett has been

appointed commercial director of NEWBY AND EYRE. Formerly commercial manager, he retains responsibility for the purchasing, marketing, property transport and pricing departments. The company is a member of the Thomas Tilling group.

Three directors of GEC COMPUTERS are to have new responsibilities in a reorganisation of the company's board. Mr. George Hinchliffe becomes director and general manager, military products; Mr. J. W. (Peter) Reffen director and general manager, supplies and services; and Mr. Colin W. Thurston, director and general manager, commercial and industrial products. They report to Mr. W. Alan Fraser, managing director.

The Prime Minister has appointed Lady Pamela Hartwell as a trustee of the BRITISH MUSEUM. She fills the vacancy caused by the retirement of Sir Ernst Gombrich on the expiry of his term of office.

Mr. J. T. D. Williamson has been appointed an additional director of BUNZL PULP AND PAPER. He is at present managing director of the subsidiary Filtrona.

Mr. M. J. Cattermole has been appointed financial director of TURNBULL GIBSON TRAVEL, and will be responsible for the accountancy and financial control of that company and Turnbull Gibson and Co.



Mr. David Acheson

BSM chief executive

Mr. David Acheson, until recently chairman and managing director of Kentucky Fried Chicken (GB), has been appointed chief executive of the BRITISH SCHOOL OF MOTORING in diversification moves by BSM to develop a fast food franchising operation. Mr. Acheson is chairman of the British Franchise Association. Mr. David Haddon, who has shared with Mr. Anthony Jacobs (chairman) the responsibilities for BSM since its reorganisation in 1973, continues with the group as deputy chairman.

CONTRACTS

Marconi wins £4m RAF order

MARCONI SPACE AND DEFENCE SYSTEMS, a GEC-Marconi Electronics company, has been awarded a £4m contract by the Minister of Defence to supply second-line automatic test equipment to the Royal Air Force. These will be used for in-service test and repair of the Sky Shadow Electronic Counter Measures pods carried by some Tornado aircraft of the Royal Air Force.

worth about £100,000. They will be installed in offices in Norwich, Birmingham, Cardiff, Newmarket and Walton-on-Thames.

WATKINS-JOHNSON CO., Windsor, Berks, manufacturer of electronic systems, has been awarded a contract valued at more than \$4m (\$2m), by the Naval Surface Weapons Center, Dahlgren, Virginia, to build the U.S. Navy's noise jammer simulator. When completed in 1981, the computer-controlled system will emulate hostile jamming environments at the Atlantic Fleet Weapons Training Facility, Roosevelt Roads, to provide electronic counter-countermeasures training for Navy radar operators.

Following a recent order placed by the Danish Savings Banks for Olivetti equipment, BRITISH OLIVETTI has won an order worth £735,000 to supply the TSB with 120 Olivetti TC300 intelligent terminals. The TC300 will augment banks' existing network during a period of transition in which Burrough's terminals will be linked to a Sperry Univac main-frame.

MAN-VW TRUCK AND BUS has won a contract worth £500,000 for the supply of 10 MAN SR280 coaches to Park's of Hamilton. The 12-metre-long vehicles, scheduled for delivery early in the New Year, will be the first to go into operation north of the border.

Six contracts totalling over £130,000 have been placed by the melting industry for 16 URQUHART CXA low NOx burners ranging in size from two to 16m Btu/lb. Urquhart Engineering has developed a virtually zero NOx burner for use in direct-drying systems where food-stuffs are processed in contact with diluted combustion products.

BIRLEC has received an order worth £100,000 from Ardel, industrial fastener manufacturer, Welwyn Garden City, for an electrically heated mesh belt conveyor furnace to be used for normalising and annealing of bolts, rivets, collars and various

other fasteners in a wide range of sizes. An order worth £100,000 has been placed by Tom Smith and Co., Norwich Christmas cracker manufacturer, for the installation of a SYSTIME 3000 computer.

The satellite terminal and electronic warfare division of MARCONI SPACE AND DEFENCE SYSTEMS, Stanmore, Middlesex, a GEC-Marconi Electronics company, has been awarded a major feasibility study contract by the Ministry of Defence to investigate the role of electronic warfare in support of the Army in the field. The work will be carried out by a consortium of companies with MSDS as prime contractor. The others are EMI (radar and equipment division) and Decca (electronic warfare division). The study is expected to last over the next two years and, when completed, it could lead to several years of equipment development and production running into millions of pounds and leading to significant export orders, says Marconi.

TAYLOR INSTRUMENT OF Stevedage, Hertfordshire, is to supply £60,000 worth of pneumatic instrumentation for a fluid catalytic cracking unit under construction in Pembroke, South Wales, where it will serve the refineries of two oil companies. The order has been placed on behalf of Pembroke Cracking Company, a partnership of Texaco and Gulf Oil (Great Britain), by the main contractor, Snamprogetti.

Energy conservation is a profitable business

Energy conservation makes sound financial sense — because obviously the less energy you waste the more money you save. As fuel costs will undoubtedly continue to rise this will continue to make sense.

Britain has a lot of natural gas in the North Sea and elsewhere around our coasts but gas, like any form of energy, or indeed any valuable commodity, needs to be used wisely.

Most gas users could reduce consumption by 10% with very little effort, and no discomfort — by the use of simple, no-cost good-housekeeping measures. And the total saving would be more than £250 million in one year.

Here are some ways in which British Gas can help you to save fuel:

Technical Consultancy Service

Each gas region has a Technical Consultancy Service to help industrial and commercial customers achieve greater efficiency in the use of gas. These units offer expertise on the design of new plant, carry out item-by-item surveys to ensure that existing plant is working at peak efficiency, and give sound practical advice on how to save fuel. All these Technical Consultancy Service units, have the back up of...

The Midlands Research Station

at which British Gas furthers research and development into increased efficiency in gas use by industrial and large commercial organisations.

Watson House

... which continues British Gas research and development for domestic and small commercial applications is continually working with manufacturers to develop new and more efficient appliances.

The British Gas School of Fuel Management

This unique facility has helped train thousands of managers from industry, commerce and local authorities to save fuel.

Gas Energy Management Awards

These awards are presented to those partnerships of industrial or commercial organisation and gas region Technical Consultancy Service which have made outstanding contributions to the efficient use of gas.

Energy Advice Centre

A British Gas Energy Advice Centre is now open in Birmingham; it has proved an instant success and is helping many industrial and commercial concerns, public authorities and students, as well as the general public.

Energy Conservation Makes Sense

The benefits of the gas industry's wealth of experience in the more efficient use of fuel are at your disposal. Make it your business to see how we can help you — fill in the coupon below:

To: British Gas Technical Consultancy Service, 326 High Holborn, London WC1V 7PT.

Please let me have details about the Service.

Please inform me about courses at the School of Fuel Management.

NAME _____

COMPANY _____

POSITION IN COMPANY _____

ADDRESS _____

TELEPHONE _____

BRITISH GAS

Banking figures

(as table 4 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

	Oct. 17, 1979	Change on month
	£m	£m
1—Banks		
Eligible liabilities		
UK banks		
London clearing banks	29,064	+556
Scottish clearing banks	3,187	+153
Northern Ireland banks	1,034	+13
Accepting houses	2,250	+102
Other	7,149	+172
Overseas banks		
American banks	4,557	+80
Japanese banks	370	+25
Other overseas banks	3,341	+95
Consortium banks	319	+25
Total eligible liabilities*	51,291	+1,223
Reserve assets		
UK banks		
London clearing banks	3,723	+49
Scottish clearing banks	415	+13
Northern Ireland banks	149	+5
Accepting houses	309	+5
Other	352	+5
Overseas banks		
American banks	606	+1
Japanese banks	52	+3
Other overseas banks	494	+19
Consortium banks	52	+2
Total reserve assets	6,750	+105
Constitution of total reserve assets		
Balances with Bank of England	401	-89
Money at call:		
Discount market	3,508	-133
Other	233	+7
UK, Northern Ireland Treasury Bills	1,124	+266
Other bills:		
Local authority	214	+42
Commercial	941	+26
British Government stocks with one year or less to final maturity	329	-15
Other	—	—
Total reserve assets	6,750	+105
Ratios %		
UK banks		
London clearing banks	12.8	-0.1
Scottish clearing banks	13.0	-0.2
Northern Ireland banks	14.4	+0.3
Accepting houses	13.7	-0.3
Other	13.3	-0.3
Overseas banks		
American banks	13.3	-0.2
Japanese banks	14.2	—
Other overseas banks	14.8	+0.2
Consortium banks	16.2	-0.9
Combined ratio	13.2	-0.1
	£m	£m
N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to		
	366	+60
2—Finance houses		
Eligible liabilities	428	+12
Reserve assets	43.8	+1.0
Ratio (%)	10.2	-0.1

Special deposits at October 17 were £770m (up £10m) for banks and £8m (unchanged) for finance houses. * Interest-bearing eligible liabilities were £33,162m (up £585m).

ry
Technology
job fears
unrealistic
ances

UK NEWS

NEWS ANALYSIS — THE POST OFFICE BY JOHN LLOYD

Customer hopes rest on productivity

THE POST OFFICE is feeling defensive about the wide range of price rises in both posts and telecommunications which it announced late last week.

Productivity, therefore, emerges as the key to relieve the postal customer.



Sir William Barlow—backing for productivity drive.

Office approach is that you give us productivity now, and we'll give you the money later, and my lads aren't interested.

After a series of hostile questions, Mr. Jackson, who was a postman higher grade (sorter) for some 17 years, allowed his usual good humour to slip.

Productivity, he said, had to be gained by improving conditions, not just by exhortations for working faster.

The corporation believes—and Mr. Jackson partly agrees—that it has gone some way to improve wages with the last 16 per cent wage deal.

increases in charges for business services, is needed on two counts.

First, to finance the growth and improvements programme and second to cover the £100m-£120m loss of revenue when the computer operators' strike prevented telephone bills being sent out.

The telecommunications business has been set stringent targets. It must show a 6 per cent return on net assets, a real



Mr. Tom Jackson—listed the postmen's resentments

fall of 5 per cent in costs and become completely self-financing.

The current debate in the corporation is on the last element. A strong argument is being put forward for the introduction of a substantial proportion of loan financing, perhaps up to 20 per cent of its capital requirements.

The main benefit expected from this is that it would shift the burden of future investment away from present customers to future customers (who will pay for it).

But the Government is showing no enthusiasm for this notion. Instead, it is keeping the corporation tightly screwed down, refusing to relax its cash limits and constantly reminding it that both its postal and telecommunications monopoly are in jeopardy.

To meet its financial targets—they will not all be met in the current year—the corporation must improve productivity unless it is prepared to face the continual need for price increases. The postman will not easily be convinced that it is worth while.

Orion aims for unity of interests

By Michael Lafferty

A CLOSER working relationship between Orion Bank and its bank shareholders could be one of the main outcomes of the recent changes in the organisation's top management.

Mr. David Montagu resigned last month as chairman and chief executive of the consortium bank because of fundamental differences in policy with shareholders.

Mr. T. Jefferson Cunningham, the new chief executive, says there is "a great deal of room for Orion to do more work with its shareholders than it has done in the past."

Orion's shareholders are Chase Manhattan Bank, Credito Italiano, The Mitsubishi Bank, National Westminster Bank, the Royal Bank of Canada, and Westdeutsche Landesbank.

Mr. Cunningham says that Orion will continue to develop activities in its own right in international investment banking.

As I see it, Orion should be constantly looking for new markets and services in the international money and capital markets.

The lending side of the business will be used more to support investment banking.

Mr. Cunningham, 37, has come out of semi-retirement. He was an executive director of Orion between 1971 and 1974, and was area director-Northern Europe with Chase Manhattan until 1977.

Ezra outlines energy strategy

BY JAMES McDONALD

A UNIFIED energy strategy was needed to carry Britain into the next century, otherwise the nation could be throwing away the advantages and the breathing space provided by North Sea oil and gas, Sir Derek Ezra, chairman of the National Coal Board, said last night.

He told the Rugby Chamber of Commerce that a four-point plan for a British energy strategy should be adopted to secure Britain's economic future.

The plan should provide controlled depletion of North Sea oil and gas reserves to maximise their life, clearly defined roles for coal and nuclear energy, widespread adoption of energy conservation, and more investment in long-term energy research.

Sir Derek said rising oil prices and the depletion of world oil resources would steer countries toward an immense economic crisis unless positive action was taken.

Britain and Europe in particular needed to come to grips with an unprecedented situation—that major natural resources were running out.

Britain's present position was an enviable one among the energy-producing nations. It had enough of its own oil and natural gas supplies to enable it to achieve self-sufficiency for about a decade.

It had coal reserves to last 300 years at present rates of production. It also had an advanced nuclear technology.

It is sometimes suggested that if we have an advanced nuclear building programme, coal will not be wanted in the future. It has also been suggested that if we develop our coal resources to the full, there will be no need to expand the nuclear programme, said Sir Derek.

Nuclear power could never meet all Britain's energy needs, for it could not produce fuel for transport or processing.

Sir Derek said: "It is also certain that coal alone cannot meet the entire demand for electricity, fuel for industry, substitute natural gas, and all the products at present dependent on petrochemicals."

"Only an effectively coordinated energy strategy will enable the energy industries to plan their future investment programmes to serve Britain best in the years to come."

'Battered' law criticised

POLICE AND judges are implementing the Domestic Violence Act in a fickle manner, says a guide on the working of the new law.

The Act, which became law in 1977, was designed to give women better protection by allowing the police to arrest men who broke injunctions imposed by the courts to prevent battering.

The guide states: "It is clear that judges in some courts are only willing to grant injunctions where there has been some violence, and that they do not frequently enough attach the necessary power of arrest to an injunction."

"Many police officers are unwilling to use the power of arrest even if it has been attached."

Britain needs more high quality restaurants, says tourism chief

BY JAMES McDONALD

BRITAIN, particularly Scotland, urgently needed more high quality restaurants if tourism was to continue to flourish, Sir Henry Marking, chairman of the British Tourist Authority, said in Edinburgh yesterday.

He told students at a seminar organised by the Hotel and Institutional Management Association that British hotels' cooking and service had a reputation for years of being among the worst in the world. But that was before the advent of the hotel and catering schools which, for the past two decades or so, had provided industry with

trained professionals.

Year by year the numbers of unskilled foreign hotel and catering industry employees had fallen consistently, to be replaced by our own skilled people. Today, said Sir Henry, the standards by Britain's hotels and restaurants were on a level with the world's best.

But he emphasised the importance of value for money if Britain was to remain at the top of the world's tourism league.

If we don't continue to offer value for money at all price levels, then we shall certainly kill the tourism golden eggs for Britain.

"There are too many other countries waiting to pick up our share of the world tourism market and our own people will holiday abroad in even greater numbers where they can be assured of high standards, good service and value for money."

Tourism, said Sir Henry, was now one of Britain's major foreign currency earners. Some 12.5m visitors from abroad spending about

£3.5bn were expected this year, while about 2.5m people throughout the country depended either directly or indirectly on tourism to earn their living. By 1985 the number of people employed in tourism could be as high as 1.75m and tourism earnings about £6bn a year.

Canal calls

CANALPHONE, the British Waterways Board's recorded information service about stoppages on the inland canals, has received more than 100,000 calls since it began in May 1975.

New stockmarket guide

CRUCIAL FACTORS in the success of personal investment are detailed in a new Investors Guide to the Stockmarket, by Gordon Cummings.

The guide provides knowledge necessary to make an informed choice about what to do with personal capital and sav-

ings. It gives a comprehensive insight into the make-up of the stock market.

"Investors Guide to the Stockmarket," Book Sales Department, Financial Times Business Publishing Ltd., Minster House, Arthur Street, London, EC4A 3DF, £6.50, but £6 until December 31.

HOLDING A TRAINING SEMINAR? VENUE? Phone MEETING POINT LONDON: 01-5673444 MANCHESTER: 061-9695151

YOUR NEXT MOVE COULD HELP US MAKE OUR SECOND MILLION.

It may surprise you a little to learn that there's a corner of North West England which houses three of the country's most successful industrial sites. Namely, Central Lancashire. In just three short years, we've sold over a million sq. ft. of the industrial space available, attracting big names such as Edbro, Boulton & Paul, Seddon Atkinson and Deberham.

All the sites have comprehensive services laid on, as you'd expect. But you may be surprised at the fine standards of building design and layout, the carefully planned access roads and the green, landscaped settings. If you'd like to help us make our second million, and help yourself into the bargain, call our Commercial Director, Bill McNab. He'll be pleased to arrange for you to come and look around. Or you can simply clip the coupon and we'll send you full information on Central Lancashire and its 3 prime industrial locations.

Central Lancashire The foundation for your future. Please send me full details on Central Lancashire's 3 prime industrial sites. Name Position Company Address

CHANGE IN THE ECONOMY LONDON -- NOVEMBER 14 & 15, 1979 What are the measures needed to promote economic growth, and how will the Government solve the problem of a stagflationary economy? These are some of the questions that will be raised at a forthcoming conference to be organised by the Financial Times with the City Branch of the British Institute of Management.

THE MANAGEMENT PAGE

How Shell plans to cope with 'an era of surprise'



THE DUTCH chief executive who was rash enough to declare at a major international conference that "Planning is just a waste of time nowadays, especially so-called strategic planning" can have had no idea of the horns' nest he was stirring up.

Taking his statement as a challenge, we invited leading practitioners in various fields to investigate the reasons for planning's (largely justified) fall from grace in recent years, and to put the case for a more flexible and effective approach in the future.

Their articles, carefully written in plain English rather than the usual consultancy jargon, were complemented with an analysis of several new planning "tools," and published in June and July. The series attracted considerable attention, and many readers requested reprints. These will be available in booklet form from November 12.

There is evidently a large body of disagreement with the recalcitrant Dutchman, but equally obviously most companies are still searching for the "right" approach to planning for their particular needs. So we are today starting a regular monthly column on "Planning in an uncertain world."

To be published in the first week of every month, it will take a thoroughly practical look at how particular companies, in both manufacturing and services, are coping with the challenge. It will concentrate on one "case" each month, spotlighting small and medium-sized companies in different European countries, as well as some of the best-known multinationals.

Instead of concentrating on theoretical techniques — the fault of many planning advocates — it will pay special attention to the following key questions about the function and place within a company of an effective planning system:

- How can one make planning really flexible and responsive to "early warning signals" from the outside environment?
● How can planning be integrated into divisional and line management, so that it is no longer an ivory-tower function to which no-one pays any attention?
● Is it adequately appreciated that this is much more than just a question of linking the planning system to the company's controls, and vice versa? In particular, does top management realise that a really effective planning system both requires, and can help create, a more participative management style?

Some of the articles will provide a general analysis of how particular companies have been changing their approach to planning, while others will examine the actual roles — if any — played by planning in making and carrying through specific business decisions (diversification, divestment, etc.). Failures, as well as successes, will be included.

As with the earlier series, Jason will be avoided wherever possible. The column will definitely not indulge in the all-too-common practice of attaching fashionable and spuriously distinct labels to various planning approaches.

This practice was demonstrated in a recent magazine interview with Professor Igor Ansoff, one of the world's leading planning specialists for 20 years or more. Ansoff was reported as dubbing the 1950s as the era of "long-range planning," the 1960s as the age of "strategic planning," the 1970s as that of "strategic issue management" and the immediate future as that of "weak

signals management," otherwise known by the janny title of "surprise management."

To make matters worse, Ansoff was also reported as saying that "strategic planning" is essentially extrapolating plus some programming, and that it is now inadequate. While most enlightened managements would agree that extrapolation is indeed utterly inadequate, few — even those peopled by Ansoff disciples — would agree with his definition of "strategic planning."

Enough said. Such are the hazards of labels and jargon. For the sake of comprehension, they should be avoided.

To set the scene for future articles in this column, today's takes a general look at Shell's current thinking and practice, through the eyes of a member of Shell International's group planning division, Richard Seidl. It is based on a paper he presented last month in London to the 1979 Corporate Finance Conference, organised by the Institute for International Research.

* Planning in an Age of Uncertainty. Available price £5.00 plus postage, from Diana Twitts, Publicity Department, Financial Times, Bracken House, Cannon Street, London EC4A 3DF.
* Institute for International Research, 70 Warren Street, London W1P 5PA. Tel. 01-388 2663.

Christopher Lorenz

Trying to mould the future without forecasting it

IF THE future is so obviously unpredictable, why bother to try and plan for it? This was the basis of the controversial Dutch businessman's remark that "In today's world there's no point looking further ahead than a one or two-year budget," and that "anything longer-term is just not worth the paper it's written on."

Quoting the remark in his paper to the 1979 Corporate Finance Conference, Shell's Richard Seidl said that, at first sight, it might seem quite an appealing argument. But closer inspection revealed that this train of thought could be "enormously dangerous."

No business could go on for long without facing decisions, said Mr. Seidl. Some of these decisions would affect only the immediate future and could be updated — or even reversed — if conditions changed yet again. Some others might have a longer-lasting effect, but concerned only a minor part of the business. Even if they turned out to be wrong they would not ruin the company, he said.

But there were other decisions which really had a long-lasting effect and concerned major parts of a company. They could, in due course, change the very structure of a business, he continued. "Eventually they can make or break it."

There were really only three possibilities for handling this type of decision, said Mr. Seidl: ● Don't take the decisions

until the future becomes clearer again;

- Take the decisions "by guess and by God," and hope for the best;
● Or take them, in spite of all the doubts, on the basis of thorough planning.

In contrast with the planning practice of the 1960s, it would not be enough this time just to have a few forecasts, warned Mr. Seidl.

The future would remain as unpredictable as ever, no matter

how much time and effort was spent polishing the crystal ball. But a concerted effort by planners and managers could structure it, explore it and appraise the risks and opportunities that probably lay ahead. "We will never know what will happen, but we can achieve a pretty good idea of what conceivably could."

Shell's basic approach has been summed up by Mr. C. C. Pooch, Senior Managing Director, as follows: "We believe in planning not in numerical forecasts, but in hard thought which aims to identify a consistent pattern of economic and social development."

Planning can make an essential contribution to management

in at least five ways, suggested Mr. Seidl:

- It can establish a coherent framework of potential developments, against which a manager can check his own perceptions and concepts;
● It can help to identify potential opportunities and threats;
● It can provide at least the outline of a comprehensive framework for management's appraisal of its business portfolio and the allocation of resources;
● It can establish benchmarks to test different strategies for different futures;
● And it can be a company's "lookout", continuously watching emerging trends in social, economic and technological matters that could well be vital for the eventual success or failure of a business.

Such an approach to planning would have to allow for a wide range of possible developments, warned Mr. Seidl. But it would also have to be alert — "critically alert" — to possible changes in the overall emphasis of a company.

Instead of managing consistent growth, quite a number of managers were today faced with enormous overcapacities in one part of the business and quite new scarcities in some others, said Mr. Seidl. Here again planning could be of use by providing a view of potential futures, which could help to achieve the necessary reorientation.

But to do this, a deeper understanding of the planning pro-

cess would have to be achieved, and the process would have to be tailored to the specific needs of each individual company.

Examining how all of this applies to Shell, Mr. Seidl began by emphasising the group's size and diversity. It consists of about 270 companies in more than 100 different countries, engaged in a fairly wide range of activities: in oil and natural gas; a diverse chemical business; marine; and more recently, coal, metals, consumer products and some nuclear interests.

Between them, these companies employed nearly 160,000 by the end of last year, and a total capital of more than \$25bn. They achieved total revenues of nearly \$50bn.

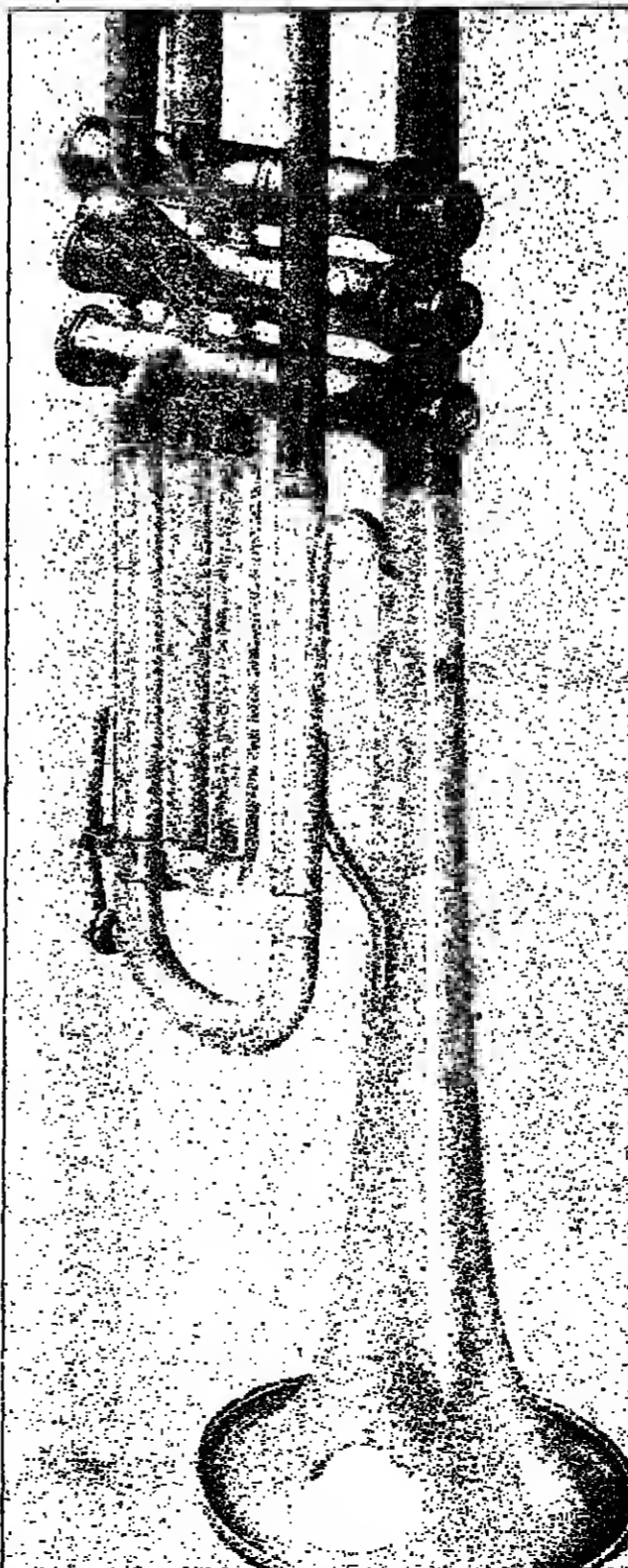
"The environment, structure and activities of these com-

panies differ widely, so there can obviously be no all-pervasive planning system for such a group," stressed Mr. Seidl.

Some companies, like Shell Oil Company and Shell Canada — the main operating companies in the U.S. and Canada respectively — do not participate at all in any Group-wide planning system, he said. Others did so more or less according to their wishes.



Why our name is music to the ears of industry.



Half the trumpet pictured here has been satine polished by a process which is attracting a great deal of attention throughout industry.

It's called Vaqua; a wet blast process which has been pioneered by Abrasive Developments Limited.

The process applies a controlled high volume flow of water and abrasives to clean, recondition, finish or even decontaminate almost any material or object.

But behind this one example of a company's success, there lies an even larger success story.

Abrasive Developments are part of the growing Unicorn Industries Group.

And all the dozens of companies worldwide which currently make up the Group are likewise specialists in a particular field of abrasive technology.

Abrasives may not sound all that prepossessing, but you'd be surprised how essential they are; to industry, and therefore to all of us.

Whenever materials need to be smoothed or shaped, cut or cleaned, Unicorn's mastery of this sophisticated technology is needed.

That's why we're optimistic about our future prospects as a group.

Because there's every reason to suppose that people are going to go on wanting cars, cookers, pens, aircraft, glasses and all the other things our expertise helps to process or manufacture.

So it's no wonder that our name is music to the ears of industry.

Abrasive Developments Ltd. Part of Unicorn Industries Shaping the future worldwide

Form with fields for Name, Position, Company, Address and a note about further information.

PHILIPS Business Equipment advertisement for the Philips Pocket Memo 185, featuring an image of the device and promotional text.

LOMBARD An inadequate White Paper

BY PETER RIDDELL

THE GOVERNMENT'S Expenditure White Paper is an inadequate document. What ever the merits, or otherwise, of the plans contained in it, the White Paper leaves readers little the wiser about the economic and social implications.

Meaningless The main omission is of figures showing change since usual in previous years and ahead of a fuller document in January. I suppose we should all be duly grateful for this "bonus" but this does not explain or justify the exclusion of material which has been included in previous White Papers.

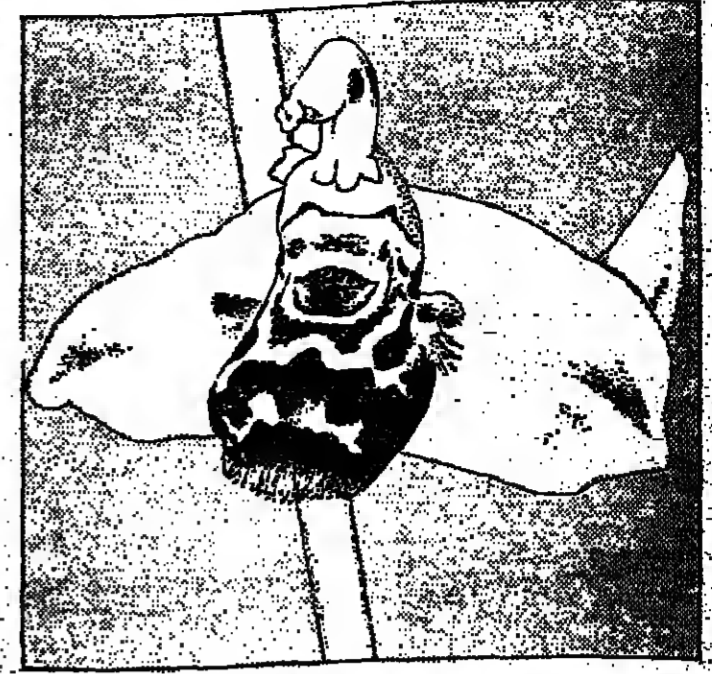
IN EARLY November gardeners might as well shut their eyes and start to think of England in spring. Some fine late colour is beginning to show on the last annual trees. The merines are still in full flower. But the damp casts a melancholic air over it all.

We need something spectacular to which we can look forward. There is nothing more spectacular than an orchid, so I am laying plans to extend my few plants in the family, none of which needs heat or even a greenhouse.

GARDENS TODAY

BY ROBIN LANE FOX

Quite how and why the Ophrys family was turned from the straight and narrow I leave to the evolutionary botanists, who are still puzzled. Other orchids give off a scent to attract their pollinators and hold up flowers that hem the pollinator inside.



Little bee orchid or Ophrys.

for only a hard ride. In Britain, most native Ophrys have had to reform themselves. Their pollinators have given up and died out, so they now have to fertilise themselves. But the shape of the flower has not yet altered, so the evidence is still on view.

They like damp, leafy conditions, easily cultivated in a sunny back-garden. Otherwise, you can grow them in a pot, but you must keep them out of direct sun and remember to water them steadily.

Born to Reason looks sound

OWEN GLIN, successful in his first appearance last season, can be expected to triumph today's Seneca Barrows Handicap Hurdle at Newbury.

Mr. Dan Frenns' five-year-old, whose initial success over the minor obstacles came in a Panama Cigar Hurdle qualifier here, went on to land Lingfield's Heddon Novices Hurdle before taking third place behind

third of the 7-4 on Hill of Slane in a division of Binfield Juvenile hurdle at Ascot eight days ago.

RACING

BY DOMINIC WIGAN

Appalato and Slasher in the Panama final at Cheltenham in March.

task of the season, he had little time in which to bring his most formidable asset, great stamina, into play. It was clear that two miles was on the sharp side for him.

TV Radio BBC 1. Indicates programmes in black and white. 9.05 am For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Over the Moon. 2.01 For Schools, Colleges. 2.25 Delia Smith's Cookery Course. 3.53 Regional News for England (except London). 3.55 Play School (as BBC 2 11.00 am). 4.20 Pixie and Dixie. 4.25 Jackanory. 4.40 Tarzan, Lord of the Jungle. 5.00

ing Scotland. 10.10-11.10 European Sportscentre. 12.07 am News and Weather for Scotland. Wales - 11.02-11.22 am I Ysgolion. 1.00-1.20 pm Billwedd. 1.20-1.40 pm Wales Today. 6.45 Heddwi. 7.05 Pabw Yn Ei Fro. 7.35-8.00 Angels. 12.07 am News and Weather for Wales. 8.30 News and Weather. 9.00 Party Political Broadcast by the Conservative Party. 9.10 News. 9.35 The Risk Business. 10.10 Sportsnight. 11.10 News Headlines. 11.12 Parkinson and guests. 12.07 am News and Weather / Regional News. All Regions as BBC 1, except at the following times: Scotland - 12.40-12.45 Report. 5.55-6.20 Report.

THEATRES. OPERA & BALLET. BRURY LANE. CC 5 01-236 8108. THE FAMILY SHOW. ORURY LANE. CC 5 01-236 8108. THEATRES. OPERA & BALLET. BRURY LANE. CC 5 01-236 8108. THE FAMILY SHOW. ORURY LANE. CC 5 01-236 8108.

ENTERTAINMENT GUIDE

THEATRES. OPERA & BALLET. BRURY LANE. CC 5 01-236 8108. THE FAMILY SHOW. ORURY LANE. CC 5 01-236 8108. THEATRES. OPERA & BALLET. BRURY LANE. CC 5 01-236 8108. THE FAMILY SHOW. ORURY LANE. CC 5 01-236 8108.

F.T. CROSSWORD PUZZLE No. 4119. 1 Preliminary examination held in chemical laboratory (4-5). 2 Silent airman embraced by bird (5). 3 Plover with feelers in shielded wrongly laced (9). 4 Multiple word with tea in stock (5-8). 5 Monster bird getting at grain (10). 6 Weger article will follow in letter (4). 7 Try it in revised term (7). 8 Part of Lambeth I call moral (7). 9 Smug Independent member is an Indian child (7). 10 Climbed up outchouse outside pub (7). 11 Left one member drooping (4). 12 Supporter in tenses has sudden inspiration (10). 13 Referred to elation to editor (9). 14 Adore to change and he impelled by rowing (5). 15 Help to turn in restricted beyond hill (3). 16 Separate part of grain hit by bit (9). DOWN. 1 Note for medicine? (5). 2 Irritation in insect bite could require work with needle (9). 3 Putting a rising artist in costly surroundings may be risky (10). 4 Describe the fish following the wine (7).

BBC 2. 10.20 am Gharbar. 11.00 Play School. 11.40 pm Flash Gordon's Trip to Mars. 6.00 Adventure at Sea. 6.50 Day Out. 7.20 Midweek News. 7.30 The Old Grey Whistle Test. 8.05 The Book Programme. 8.30 Discovering English Churches. 9.00 Party Political Broadcast (as BBC 1). 9.10 M*A*S*H. 9.35 Playhouse. 10.55 Something Else. 11.35 Late News. 11.50 Closedown reading.

Radio Wavelengths. 1 105.3kHz/255m. 2 105.3kHz/255m. 3 121.9kHz/247m. 4 121.9kHz/247m. 5 121.9kHz/247m. 6 121.9kHz/247m. 7 121.9kHz/247m. 8 121.9kHz/247m. 9 121.9kHz/247m. 10 121.9kHz/247m.

ANGLIA. 1.25 pm Anglia News. 5.15 Mr and Mrs. 6.00 Anglia. 11.55 The Big Questions. BOKER. 1.20 pm Boker News. 5.15 Boker News. 11.55 Boker News Summary. CHANNEL. 1.20 pm Channel Lunchtime News. What's On Where. 5.16 Club. 6.00 Report at Six. 9.00 News. 11.25 Police Surgeon. 11.55 Police Surgeon. 11.55 Police Surgeon. 11.55 Police Surgeon.

Radio Wavelengths. 1 105.3kHz/255m. 2 105.3kHz/255m. 3 121.9kHz/247m. 4 121.9kHz/247m. 5 121.9kHz/247m. 6 121.9kHz/247m. 7 121.9kHz/247m. 8 121.9kHz/247m. 9 121.9kHz/247m. 10 121.9kHz/247m.

هكذا من الثمن

Television

Another success in the air by CHRIS DUNKLEY

One of the continuing pleasures of television, and perhaps the greatest factor in keeping critics going, at a job which might otherwise drive them all crazy, is the unforeseeable nature of so many of television's greatest successes. Who could have predicted that a series of art lectures by an elderly academic would achieve the enormous success of *Civilisations*?

decision to look almost exclusively at Papua, New Guinea. In one of the most bizarre sequences I can recall from serious television, we watched bill tribesmen in feathers and war paint carrying their spears and shields unceremoniously aboard an aeroplane. They looked just about as excited as the average accountant watching the Edinburgh show, which is hardly surprising since they seem to fly pretty well as often. Yet reporter Julian Pettifer — in a fetching Aitkenborough tropical rig of shorts and knee length socks — informed us that their fathers had been head hunters, and not long ago.

He never told us what make of aircraft was being used. But film from the pilot's point of view showed what it is like to land in the New Guinea mountains — rather like touching down on the ridge pole of a marquee — and Pettifer did find us the local airline's startling

statistics: 134 regular destinations, 290 takeoffs and landings a day, many flights lasting a matter of minutes, and so on. Comments from academics such as historian J. H. Plumb, who talked of all humans having curiosity about different environments, brought a more familiar tone to the programme and edged one finally into the realisation that this is not a breathless technology series but something closer to anthropology.

Interestingly tomorrow evening the second episode in the series will be preceded one and a quarter hours earlier on the same channel by *Rolls Royce* from Duxford airfield, a programme organised by the Rolls-Royce Enthusiasts' Club to mark 75 years on wheel and wing. It sounds likely to be all the things that *Diamonds in the Sky* isn't. The best thing about *Diamonds in the Sky* is that, like so many of those other

unpredictable series, it is not only wonderfully entertaining but simultaneously mind-expanding.

It also turned out last week to be just one constituent in a whole evening of remarkably high quality television. The BBC's weakness in day to day current affairs is rapidly becoming a scandal and if their problems in launching *Newsnight* (described here five weeks ago) are not solved very soon they will surely have to attempt some stopgap measure — the gap is now shamefully large. However, *Newsweek* and Richard Kershaw are still doing the intelligent and civilised job we have come to expect, and last Thursday's programme on prisoners produced by Peta Deschamps was no exception. Wednesday's *Child* by Elaine Morgan was a deeply impressive although saddening documentary drama about secrecy in the medical profession, detailing the true case of parents who were quite unable to obtain information about the errors in an operation which led to their son's brain damage and ultimate death. It was kind of director Brian Parker to note in a postscript the infrequency of such disasters. But anyone who has ever tried to extract information from unwilling hospital staff, or has been asked — as I have — to sign a blank operation consent form "Because that's the way we always do it, duck," will have shuddered in horrified recognition at the attitudes depicted here.

That brought us to *Diamonds in the Sky* which in turn led on to *China Chopper*, yet another programme about the country which is suddenly obsessing television. It was even felt necessary for Margot Fonteyn to turn up in Shanghai for two minutes or so at the start of the witty and shapeless first episode of *The Magic of Dance* to which I wish to return in a later column.

Since *China Chopper* was billed as being "Produced by the Chinese News Reel and Documentary Film Unit, The People's Republic of China" one had every reason to expect another hymn to tractor production and our glorious Militia, but in fact this turned out to be an airborne travelogue with much, though not all, of the charm of the *Bird's Eye View* series. It certainly showed some astounding sights — a massive cocoa coloured river, the Shanghai waterfront outlined in neon, and a vast ancient Buddha cut from the living cliff — and required none of the scepticism necessary for most China programmes.

Finally, on BBC 1, came the last of Elwyn Parry Jones' excellent series of *Shirley Williams in Conversation*, this one with James Callaghan. Both participants are, of course, practised television performers, neither was intent upon giving

Warehouse

Captain Swing by B. A. YOUNG

The *Swing* rebellion, of which I hadn't heard until the RSC put this play on last year, was an uprising of farm-workers demanding higher pay. They broke farm machinery and they burnt ricks, but they burnt no one. This happened during the reign of our last King William.

Peter Whelan has not written a documentary piece about it, but a romantic melodrama peopled with fastidious characters. The historical element in the play is interesting, but the dramatic part is in another key altogether. "Captain Swing," the legendary leader of the rebels, is a man on the point of death, hardly able to utter a coherent sentence, yet twice transfigured into a tall, upright, well-dressed man capable of commanding a crowd of countrymen. This happens twice, and left me bewildered both times. Much of the play is too vivid for belief. We have this girl Gemma, a country harlot, who becomes a kind of Joan of Arc, says things like "The tree of liberty was splashed with female blood," and holds up the rebels' task of pulling down a workhouse by making a speech in the vein of Henry V, although the dragoons are almost on them. There is a dashing old

Granny acting as Mother Courage to the rebels. There are scenes with melodramatic curtain-lines; and there are scenes aplenty which do not further the action at all, but add dubiously relevant detail, such as the soliloquy of poor Agnes, the fight between the villagers and the drunken Corporal Moat, the flogging of John Povey.

The style suggests a romantic novel by someone like Rafael Sabatini, or (for younger people) a six-part Sunday evening serial on BBC-1. It is nicely played, and the less exaggerated characters, like Matthew Hardness, the local rebel leader (David Bradley) and Michael O'Neill, the Irish radical (Paul Moriarty) can sometimes compel belief. Zoe Wanamaker's playing of Gemma is fine, but Gemma is not a real person. Swing himself, masquerading as a salesman, gives Malcolm Storry an ungrateful part, lying down and mumbling most of the time.

I found the evening went very slowly, and though I'm glad to know about Swing, I couldn't raise any interest in Hardness, O'Neill, Gemma or any of them. The hard-working director is Bill Alexander.

Arts Theatre, Cambridge

From the Greek by MICHAEL COVENEY

Frederic Raphael's curiously inept and uncharacteristically dull new play is a sort of nightmarish amalgam of the Oedipus myth and Hitchcock's *Psycho*. For some reason that is never made clear, the scene is a run-down hotel in Arizona. Tony (as in Perkins') has stayed on after the death of his father to help run the place with his mother.

herself. An appropriately wretched conclusion.

When Mr. Raphael adapted the early part of his TV series *Glistening Prizes* for the Leicester Haymarket, the smartness of the writing at least compensated for the lack of stagecraft. Here, Jonathan Lynn's galumphing and unbelievably straight-faced production for the Cambridge Theatre Company is sporadically memorable only for the intensity of James Audley's acting as Tony, nuzzling at Miss Audley's stomach and chewing laconically over the family problems like James Dean in the wrong film. I am incapable of deciphering any impulse whatsoever behind the whole sorry mess and finally succumbed to the giggles when Tony rounds on his brother with the accurate accusation, "You're a real bastard."

T. S. Eliot Lectures

Dr. Donald Mitchell, the authorised biographer of Benjamin Britten, will be delivering the 1979 T. S. Eliot Memorial Lectures on the theme *The Year 1936: Britten and Auden in the Thirties*.

The lectures will be held from Monday to Thursday, November 26-29 in the Cornwallis Lecture Theatre in the University of Kent at Canterbury at 6 pm. The lectures are open to the general public, admission is free and no tickets are required.



A scene from 'Diamonds in the Sky'; Julian Pettifer in the highland village of Tep Tep in Papua New Guinea

New Music in Hungary — 2

The New Music Studio by DOMINIC GILL

In my first article on the festival of *Korunk zenéje* — contemporary music — this autumn in Budapest, I mentioned the special virtues that have marked the festival's path to maturity during the five years since its debut in 1974: the exceptional quantity of new Hungarian music, of consistently high quality, that its programmes have presented; and also in particular the very comprehensive view those programmes have offered of the whole spectrum of Hungarian new-musical activity.

Just how diverse that spectrum is I have described here on a number of occasions during the past five years. The foreign visitor — reminding himself again that the population of the nation of Hungary is actually less than that of Greater London — can marvel at its energy and breadth of range; and it is exactly that breadth which the days of *Korunk zenéje* in recent seasons have been able, and willing, to reflect. So it was the more disappointing to discover at the sixth festival the odd omission, without note or comment, of any recent work at all by composers of the lively New Music Studio, home of the more experimental wing of new Hungarian music. No piece of Zoltán Jeney, László Vidovszky, György Kurág Jr., Barnabás Dukay or Gyula Csapó in this year's programme; and only two works of László Sáry, the Studio's senior founder member, neither of them characteristic, composed respectively nine and 11 years ago.

Had six or seven composers together decided on a sudden, collective change of mind? The idea was absurd, and belied at once by a busy autumn programme of Studio events displayed in the offices of the Philharmonia. No explanation was forthcoming; but informally, bors-festival, I heard on tape more than enough interesting new works by Studio members to have filled a splendid concert programme. During the previous season, the Studio had organised and presented, with little administrative help, a series of no less than 35 concerts around the country and in Budapest, mainly of first, or first Hungarian, performances. Their programmes might have been the envy of our own SPNM or Park Lane Group; they were, at the very least, not a force to be usefully ignored.

Circus of László Vidovszky, whose *Death of Schroeder* and *Souvenir de J* so impressed me in past years, is not heard to best advantage on tape. The physical disposition of players, audience and eight loudspeakers is fundamental to the effect of the piece; and the contrapuntal detail, if not the broad outline, changes with every performance. But even crudely, in its unelaborated form, the music (and the idea of the music) was striking. The notes of the score find their way to the loudspeakers through a network of interactions, partly linked, partly separate, of three

organists and six controllers; complex sound-maze from which tiny details, jiggling points of light and shade, emerge, and as quickly disappear. I should love to have heard it live, and fully organised.

Like his *Pontpoint* last year, Zoltán Jeney's *Apollonhöz* for voices, organ, cor anglais and percussionists is not so much a "concert" piece in the traditional sense as an austere and solemn ritual; a Greek text set to a precisely notated permutation of scales, without tempo or dynamic variation, articulated by a stochastic mix of 23 ancient Greek rhythmic sets. The effect of hypnotic reassuring, strangely beautiful; music out of time, out of place.

But two other recent works of Jeney's I heard on tape were as different from *Pontpoint* and *Apollonhöz* as they were from each other. *Laudé* is an orchestral random mix, linearly shuffled, of the Adagio of Mahler's 10th symphony. Each instrument of the orchestra plays its own part, and each note retains its original duration, pitch and dynamic; only the order of notes, and rests, is changed. The textures alone remain: extraordinary to find (and perhaps the chief point of the exercise) how much of their unmistakable quality is preserved, how irreducible is the vertical, as much as the horizontal, quality of a Mahler score, even fundamentally rearranged. *Glass and Metal* was pure tape-music: an exhilarating collage of four "voices" made of concrete sounds from an iron-foundry and a glassworks, modified by means of pitch-modulation but without any other direct electronic treatment, grandly conceived, powerfully sustained. Four pieces alone (and there were many more) which together could have made a fine programme — and restored vital balance to the festival.

It was no disappointment for me as a visitor — but doubtless disappointing to some *budapestiek* — that the highlights from the rest of a busy week were mainly Hungarian. There were foreign guests, but none of them substantial. Sylvio Guada from France gave a slick demonstration of percussion gymnastics that was visually intriguing, but musically dull. An unlikely *Camerata Strumentale* from Turin had borrowed the name, but unfortunately no part of the talent of the late, great Alfredo Casella. The Chamber Soloists of the Berlin Komische Oper gave a short recital of serious, respectable pieces, all beautifully played, but none more than gently pleasing. Only the "Nuestro Tiempo" Ensemble from Cuba, I thought, offered a programme of real originality or flair (and for various reasons, none of them musical, the concert hall that night was nearly deserted): as well as a good account of the lyrical but overlong guitar concerto of Leo Brouwer, they gave fine performances of

works from the 1930s by the two founders of the modern school of Cuban music, Alejandro Caturra and Amadeo Roldán — Caturra's *Bembe*, catchy, Caribbeanised Hindemith; and two brilliant numbers from Roldán's *Ritmicas* scored for percussion band alone.

Eight chamber works in a recital on the festival's fourth day had in common one instrument, and one virtuoso, the flautist István Metz. I have told here many times of Metz's electrifying musical presence, and his ability to turn the commonest musical metal into gold. It was a glittering evening, of many high points: a dramatic, tightly-wound *Momento cromatico indiretto* for piano, percussion and flute by

József Sáry (the brother, in spite of the different spelling, of László Sáry); a solo for bass flute by István Láng, ruminative, cast deep with shadows, a night wind in dark woods; a brilliant duo for flute and percussion, *Sospiri e gridi* by József Bakki, imaginative and keenly shaped; an interesting *Vortiositas No. 6* by László Martos for flute with three instruments and percussion, curious hybrid, its primitive motor-rhythms and free "melodic" fragments enclosed by a rather severe constructivist frame derived from the Fibonacci series; and an eerily effective *Monologo No. 3* by László Kalmár, full of glissandi and microtonal shifts, a gentle flute-fuse married with the shaka-bachi's hollow wail.

Festival Hall

Menuhin

Fifty years ago on Sunday Yehudi Menuhin made his London debut in a recital at the Queen's Hall. This golden jubilee was celebrated, a day late, in the Festival Hall; Mr. Menuhin was partnered by his sister Hepzibah and the two of them were then joined by a quartet from the Menuhin School for a performance of Chausson's Concerto for violin, piano and string quartet. The Chausson is a rarity apparently out of place in such a context, but nevertheless it provided a reminder of the other, educative side of Menuhin's genius.

The focus of the evening, naturally enough, was Mr. Menuhin's performances, and he chose to celebrate with the twin pinnales of the violinist's chamber repertoire, and Bach's D Kreutzer sonata and Beethoven's minor partita. In the Beethoven sonata there were moments of the authentic, glorious Menuhin and microtonal shifts, a gentle approach the sudden phrase of disarming simplicity, the uncanny ability to select and pro-

ject the salient features of each musical paragraph the almost burnishing of the violin line. But too much was rushed, too many details were scrambled, too often technical problems got in the way of the sweetest filigree decoration. Felicities in this performance of the sonata seemed incidental and scarcely paved the way for the glorious account of the D minor partita that followed.

All insecurities, blemishes, now dropped away in the opening bars of the allemande; the performance became plastic, deepening as it progressed, sometimes introspective almost to the point of non-communication (the audience always held in touch by the slenderest of threads), sometimes boldly dramatic. Technical problems seemed non-existent even in the stickiest passages of the chaconne; Mr. Menuhin, for a moment, regained his greatest, transcendent form and fully deserved the standing ovation accorded him.

ANDREW CLEMENTS

Leicester Investors are everywhere.



Join them.

Leicester Building Society. Branch offices and agencies throughout the U.K.

The macrocephalic monster in the smog

BY WILLIAM CHISLETT, Mexico City Correspondent

هكامل النهر

MEXICANS ARE a fiercely proud nation, but they are not at all proud that their capital will, according to the World Bank, become the largest city in the world by the year 2000 with a population of around 32m.

When President Jose Lopez Portillo met the mayor of New York in September he dropped his normal flag-waving posture and said: "Mexico City is the most absurd thing that ever happened. We've built everything at an average 2,000 metres above sea level. If we had planned the place it would never have happened."

Mexicans are now finally waking up to the monster they have created which is a frightening testimony to what happens when industrialisation takes place in a developing country with little or no planning.

Planners have a word for Mexico City—macrocephaly, a medical condition in which a person's head is abnormally large compared to the rest of the body. Some 14m people live in the capital's metropolitan area, 20 per cent of Mexico's total population.

By the year 2000, if the capital's present alarming growth rate of 5.6 per cent a year continues (London's is actually falling) Mexico City will account for about 25 per cent of the total population. Its growth has been spectacular, but only in the last 30 years.

When Hernan Cortes arrived in Mexico in 1519 he beheld one of the great imperial cities of the world. Tenochtitlan, the Aztec capital, was a city of some 300,000 people on a series of islands in the middle of a lake. It was a rival in beauty to Rome and Venice.

Cortes first saw the city from the surrounding mountains at an altitude of 7,500 feet. They embraced the city's magnificence. Today the visitor to Mexico City, as he flies into the capital's

airport, is lucky if he can see the mountains at all through the brownish smog which covers almost permanently over a city that sprawls as far as the eye can see.

Lake Texcoco, which supplied the Aztecs with endless fresh water, has dried up and is now the source of dust storms in March and April when strong winds send people spluttering into doormats.

The Aztecs lived within sight of two awe-inspiring volcanoes, Popocatepetl and Iztaccihuatl. Today an inhabitant of the capital is lucky to catch a glimpse of them a couple of times a year.

Fumes trapped

The conquering Spaniards kept the capital in the lush valley—an almost perfectly shaped—bowl surrounded by mountains which offered natural protection against marauding tribes.

Nw, far from affording protection, the mountains prevent the dangerously high level of pollution—caused by fumes from 2m cars and the stinking over heat of the country's industry in the metropolitan area—from escaping.

Mexico City's smog is of the more dangerous photo chemical variety for with the height, the reduced oxygen and the still atmospheric conditions more ultra violet rays reach the polluted air than would happen at sea level.

As a result respiratory diseases, itchy eyes, sore throats, thumping heads, sinus problems and gasping for breath are the common fare of many of the capital's inhabitants. I have lived here for a year and have never felt in such bad health. Indeed after my first few months I began to wonder whether I was abnormal or becoming a hypochondriac. Mexican friends

assured me that I was normal. Many regard Mexico City as the nearest mankind has come to creating hell on earth and yet, if you have the money, there are beautiful areas in which to live, outside the city centre, up in the hills, away from the constant hum of traffic, the repeated honking of horns, and the oppressive atmosphere.

The capital can boast one of the world's finest museums, the anthropological museum, and outstanding international concerts at Bellas Artes cultural centre.

But this is not the Mexico City which the great majority of its inhabitants know, several million of whom live in "lost cities" ringing the federal district, including one, Nezahualcoyotl, known as the "sleeping giant" where over 2m people live, many in shacks and other makeshift dwellings. Barefoot, ragged children, some with swollen stomachs, play amidst the most awful squalor.

Nezahualcoyotl itself tells the story of Mexico City for in the 1960 census it did not exist. By 1980 Mexico was well into laying its industrial base and the economy was showing sustained and high growth rates. Industry was encouraged to move to the capital with generous fiscal incentives and as the administrative and financial centre most companies felt they had to be based there.

As industry came to the capital so too did millions of people from the impoverished countryside. Nothing was done to encourage them to stay put. Whole families left their pueblos in rural Mexico in search of work, and invaded land once they arrived in the city. In the case of Nezahualcoyotl people began arriving after 1963.

Between 1940 and the present day the capital's population has increased seven fold. The legacy of this massive uncontrolled

migration is that the fuse on a population time bomb has been set which is in danger of exploding into violence unless the capital's growth is planned.

Mexico's natural population increase of 3 per cent a year is one of the highest in the world. However Mexico City's population rises by 5.6 per cent a year—in other words out of every five new inhabitants of the capital a year two are not born there.

In order to defuse what many view as an inevitable explosion before the end of the century fiscal incentives are now no longer given for Mexico City but to decentralised areas, particularly on the Gulf and Pacific coasts, and 119 municipal areas. There are also moves to relocate bureaucrats and inflated promises to channel much more money into the countryside. A serious family planning programme is underway and attempts are being made to crack down on those industries which pollute the atmosphere.

Last month Sr. Hank Gonzalez, the Regente (mayor) of Mexico City, a post with cabinet rank, presented the capital's master plan to the President. As befits such a large city the plan is immense and is divided into seven sectors—the metro underground railway system, water supply, road construction, ecology, rubbish collection, security and schools.

Noisy buses

"Twenty years ago we never thought we would reach such a monstrously high population," Sr. Gonzalez told me. At times we could hardly hear one another because of the beeping horns and noisy buses passing below his office which overlooks the Zocalo, the city's main



MEXICO CITY AS SEEN BY MARINO, THE CARTOONIST, IN EXCESSIVE MEXICO'S LEADING DAILY. "Mr. Mayor, the solution is don't let the cars return once they go on holiday."

square, around which cars drive as if on a racing circuit. "It's the political, financial, industrial, commercial, educational, cultural and even the religious capital. The shrine of the Virgin of Guadalupe is here (the patron saint of Mexico) and that attracts 15m Mexicans a year."

For Sr. Gonzalez the key to stemming the city's growth is to pursue vigorously the goals in the industrial development plan and create decentralised areas. The key to ending this chaos is to create an adequate public transport system. "If the industrial plan is really successful then Mexico

City's population will be 20m, if it's moderately successful 30m and if it's a disaster 40m, which will be death," he said. The number of cars goes up by 12 per cent a year and the average occupancy rate for the city's 2m cars is only 1.3 people.

The car is still a status symbol in Mexico and people are understandably loath to use public transport as it is so inadequate and so uncomfortable. But if the capital's traffic is not to grind to a halt one day many more people will have to use buses and the metro. The underground currently has three lines, covering 40 kilometres. Last year it carried 659m pas-

sengers in 755 carriages compared to London's underground which has eight lines, covering 381 kms and in 1978 carried 546m passengers in 4,434 carriages. This gives one an idea of how rough a ride one gets on the Mexican metro.

Between now and 2010, 15 new lines are planned to cover 437 kms. The aim is that by the year 2010, one third of the city's traffic load will use the metro compared to the present 11 per cent. Mexico's metro is claimed to be the fastest growing in the world with one kilometre of new track built a month.

At the same time a start has already been made on improving the flow of traffic by completing on time the first 15 of a planned 34 cross city "eyes viales" (one way boulevards with a trolley bus going in the reverse direction down one side). A special map has been published as the new traffic system is so complicated.

At the moment there are a mere 658 trolley buses. The aim is to have 2,000 by the year 2000. One of the main pollution offenders at the moment are the large, painfully noisy buses which spurt out black fumes.

Last month the President planted the 15 millionth tree in a proposed "green belt" of 120m trees by 1982. They will surround the city to relieve the exhaust-fume poisoned atmosphere. At the same time Pemex, the Mexican state oil monopoly, announced that next year it will introduce a new grade "anti pollution" petrol based on alcohol which will only be on sale in Mexico City.

Money is a serious problem. Sr. Gonzalez admits that present resources are insufficient and that the city's problems can only be solved little by little as the revenue from the country's immense oil wealth becomes available.

For example just to raise the barely adequate water supply of 45 cubic metres a second by one cubic metre a second costs \$40m as the pipes have to be laid up and down mountains from reservoirs to the capital. Sr. Gonzalez's budget this year is 48bn pesos (\$2.1bn).

Critics, like Sr. Gustavo Garza, a researcher into demographic and industrial problems at El Colegio de Mexico, the country's most prestigious academic institution, believe that the government's decentralisation plan is doomed to failure. He argues that the policy of concentrating on so many new fiscal incentive areas (123) will not work as few of them have a "proper industrial dynamic of their own."

The advantages for the private sector of going to these areas does not compensate for the inconveniences of being so far away from the country's main markets—Mexico City, he said. Sr. Garza argues that the Government should focus on three areas, Saltillo, Queretaro and Mexicali, where industrialisation is already growing despite the lack of special incentives.

The government has an unhappy precedent for money was poured into Ciudad Sahagun near Mexico City after 1952, but today only four factories have gone there whereas between 1960 and 1970 6,561 firms set up in Mexico City.

I asked Sr. Gonzalez what he thought Mexico City would be like if the decentralisation plan failed and the capital's population was 40m. "Instead of thinking about such an awful thing we must do everything we can to make sure it doesn't happen. At least there is now a realisation of the problems," he replied.

Inconveniences

The advantages for the private sector of going to these areas does not compensate for the inconveniences of being so far away from the country's main markets—Mexico City, he said. Sr. Garza argues that the Government should focus on three areas, Saltillo, Queretaro and Mexicali, where industrialisation is already growing despite the lack of special incentives.

The government has an unhappy precedent for money was poured into Ciudad Sahagun near Mexico City after 1952, but today only four factories have gone there whereas between 1960 and 1970 6,561 firms set up in Mexico City.

I asked Sr. Gonzalez what he thought Mexico City would be like if the decentralisation plan failed and the capital's population was 40m. "Instead of thinking about such an awful thing we must do everything we can to make sure it doesn't happen. At least there is now a realisation of the problems," he replied.

Letters to the Editor

Limit rises in CAP expenditure

From Mr. B. Gardner
Sir—I was surprised by your comment in the "Double threat to EEC" second leader (Nov. 2) that the common agricultural policy and Britain's EEC budget commitment for 1980 are "separate issues." It appears to me that, far from being separate, they are even more closely linked than the majority of people in Britain have been misled into believing. They should be very closely linked in the Government's strategy in attempting to alleviate the expected 1980 budget burden.

Most important, CAP's role in inflating the net UK budget contribution arises directly from its more inefficient aspects than from its legitimate objective of supporting agricultural markets and incomes. It is now well known in Britain that in 1980 we will be paying in £1bn to £1.2bn net to the budget—some 64 per cent more than West Germany—a considerably richer nation. This difference is generally believed to be mainly because we import a large proportion of our food supplies from non-EEC third countries, or because we have a "more efficient agricultural industry than other EEC countries." This loose thinking is of course encouraged by those whose interest it favours—most notably the EEC Commission.

In a background report issued on October 26, the Commission's London office says: "Only the United Kingdom, through a combination of certain characteristics not found elsewhere [in the Community] contributes more and receives back less than average in relation to her GNP share of Community wealth." This canard is then compounded by the statement that CAP expenditure distribution is influenced by geographical factors relating to the size of the agricultural sector in each member country. It is not the size of the agricultural production sectors but the volume of agricultural trade which dictates the level of payment out of the market support section of the EEC farm support fund.

What the Commission's statements and common assumptions about the EEC budget obscure is the striking fact that Britain will in 1980 pay 64 per cent more than Germany for one reason and one reason only. Germany will in 1980 draw £2bn for payment to the agricultural trade, compared with a mere \$400m drawn by the trade in Britain.

Redoubtable French

From Sir John Chadwick
Sir—The point missing in your leader (November 2) is your news-item on October 31 stating that France has blocked the urgent ratification of the Tokyo Round trade agreements. This action and the fouling of Community law may be seen as the construction of redoubts for a coming battle—presumably to enflame the massed attack on the financing of the Common Agricultural Policy to which you refer. This is standard French tactics. They probably do not expect to hold these positions for long, but to weaken the opposition in the main battle before they are driven in. Our problem, and that of the other Seven countries, is how to winkle the French out of these positions

Germany from the farm fund is only partly due to the much larger (approximately twice UK annual agricultural output) agricultural industry of that country. It is much more to do with payments to agricultural traders for stockpiling, re-processing, and exporting to third countries (with EEC subsidies) surplus agricultural commodities produced not only in Germany, but also drawn in from other EEC countries for subsequent re-export.

If the EEC Commission's claims about structural factors and geographical differences were correct, then Germany with an annual agricultural product worth 21.5bn European units of account (EUA) should be drawing less than France with an agricultural product worth 29bn EUA. Instead, German farm drawings are approximately 19 per cent more than those of France.

It is therefore not difficult to see why, despite the fact that, according to Commission estimates, Germany will in 1980 pay 12 per cent more in customs duties to the EEC budget than Britain, 9 per cent more levies on agricultural imports from third countries and 89 per cent more VAT, Germany will still be substantially better off in terms of net contribution than Britain.

This difference is solely due to Germany's five times greater farm support fund payout for the support of agricultural trade. This has two major implications for Britain's budget negotiations. The inefficiency of CAP—encouraging the build-up of surplus stockpiles in a country which has a food deficit—is the major reason for Germany's much smaller net contribution. Whatever modifications are agreed to reduce Britain's share of the total cost of running the Community, the absolute amount which it will have to pay in the future will continue to increase if agricultural policy remains unreformed.

It would therefore seem obvious that Government policy should be not only to seek a reduction in the proportion of the net cost of operating Common policies which Britain pays, but also to ensure that the absolute amount to be paid in the future is limited by restricting increases in CAP expenditure. Brian Gardner, *Agra Europe (London), 216 Rue Stevin, 1040 Brussels.*

Common policy funds

From Messrs. A. Buckwell, D. Harvey and K. Thomson
Sir—Mr. Godley (November 1) has attempted to help public discussion of the problems of the Common Agricultural Policy by suggesting that the European Commission should "tear up our cheque" of £1bn. The point of our original letter (October 28) was that this kind of approach is not likely to be very successful in the short run and might actually be counterproductive in achieving real reform of CAP in the longer run.

Taking the short-run problem, European agricultural policy is a common policy because it provides an approximately common level of support for agricultural producers throughout the Community and members of the Community contribute the necessary funds on a common basis as set out in our earlier letter. As far as Britain is concerned, just over £1bn of gross contribution to the common external tariff and levies collected under CAP. That is 50.8bn as the UK's direct VAT-based contribution. Thus without changing the policy of common markets, 50.8bn is the maximum amount the UK can expect to save, provided other members agree to make up the difference.

If such a gain can be achieved, we would of course regard it as welcome relief to this country. In the longer run, however, any such savings will be quickly eroded by increases in the overall size of the Budget unless some fundamental changes in CAP can be agreed. Allan E. Buckwell, David R. Harvey, Kenneth J. Thomson, *Department of Agricultural Economics, The University, Newcastle upon Tyne.*

Exclude food

From Mr. R. Sitrer
Sir—As a moderately committed but unimpaired supporter of the EEC I am beginning to believe that the problems

Textiles and the EEC

From the General Secretary, National Union of Tailors and Garment Workers
Sir—the outward processing of textile and clothing goods does not need to be regulated, as Mr. Norman Sussman (October 27) seems to indicate. Rather, it needs to be totally rejected by the United Kingdom Government.

The European Commission has badly damaged the integrity of the multi-fibre arrangement, which had done so much to bolster confidence in the textile and clothing industry, by seeking to give special treatment to products made under the outward processing system in agreements with Mediterranean countries. This system, by which part of the work on a finished product is contracted out abroad for subsequent re-import, is a severe threat to the objective of a large-scale, secure and viable United Kingdom industry. United Kingdom unions have supported the Government in declining to take up quotas for outward processed imports from Mediterranean countries. The Commission however, decided that outward processed imports from these countries would not be counted against EEC limits for normal imports, and by increasing total low-cost textile imports, this will weaken the MFA regime and will be damaging for UK exports. We have also been disappointed at the Commission's refusal to implement Article 115 of the Treaty of Rome to prevent free circulation of imports from associate members of the EEC. Outward processed goods taken in by other EEC members are, therefore, allowed to enter the

of the Common Agricultural Policy represent totally irreconcilable conflicts. Certainly a generation or more will need to pass before the requirements of the relevant sectors of each country's population can be met. In business life, or for that matter in any other aspect of endeavour, some problems are just not worth the effort needed to solve them and human resources are more fruitfully directed elsewhere. I ask, naively, therefore, why food cannot be wholly excluded from regulation by the EEC leaving each country to deal with its producers and consumers as it thinks best thus enabling member states to devote their attention to the remaining economic and political objectives of the EEC. R. J. Silver, *Robert Silver and Associates, 23-24, Great James Street, WCI.*

Indefensible inconsistency

From the Deputy Chairman, Association of Insurance and Risk Managers in Industry and Commerce
Sir—At present widely differing practices are being adopted by various water authorities with regard to charging for sprinkler connections.

There is little doubt that sprinklers are the most generally effective means of containing the majority of industrial fires, limiting their adverse consequences and protecting the lives of those present in ranges of industrial building which sustain major fires. The material damage cost of such fires in the 1978 year was over £300m, and

Textiles and the EEC

within established global ceilings. In addition, the practice should be confined to single processes in the chain of manufacture, should only be carried out by companies engaged in manufacturing in the EEC and should be limited to not more than 5 per cent of such manufacturing capacity. Only Community fabrics should be used, import licences should be non-transferable, imported goods should be clearly marked with the name of the country where the last major process was performed and full consultation with trade unions concerned should have taken place before a licence is granted. Free circulation of outward processed goods should be outlawed.

Continuation of the multi-fibre arrangement is central to the future of the UK textile and clothing industry. The provision for global ceilings on sensitive products is an important principle of that agreement. That principle is under threat as a result of the Commissions' proposals for outward processing. Also under threat is the entire textile and clothing industry, and with it some 800,000 jobs. The industry must be maintained, and these jobs safeguarded. The immediate priority is surely to maintain UK opposition to the principle of outward processing, rather than knuckling under and accepting "our share" with the dramatic consequences that acceptance would entail. Alec Smith, *National Union of Tailors and Garment Workers, Rodlett House, West Hill, Aspley Grove, Milton Keynes.*

Water Authority is currently charging £53 per annum as an availability charge for a 6-inch sprinkler connection: prior to April 1, 1978, its charge was £15 per annum. On the other hand, the Severn-Trent Water Authority has abolished its availability charges for sprinklers altogether. It should be stressed that in both cases the capital cost of the basic connection to the water supply is borne by the industrial company, and is not a charge on the water authority. This inconsistency is indefensible. Why should an industrialist in one geographic area suffer a penal import for taking reasonable precautions for the protection of his assets and employees (and for protection of the national interest overall) when the duty laid upon water authorities throughout the country in respect of such a facility is identical under the Water Act, 1973? This association deplors such inconsistency and strongly recommends abolition of availability charges by all water authorities, and positive encouragement by water authorities of fixed sprinkler systems, with a resultant reduction in overall water usage and consequent damage in fire situations. A. P. Benson, *ARMIC, Plantation House, 31-35 Fenchurch Street, EC3.*

GENERAL

UK: Sir Keith Joseph, Industry Secretary, addresses National Economic Development Council on poor productivity—Prince Charles attends meeting, Millbank Tower, London.

National Union of Mineworkers meets National Coal Board on pay claim.

Mr. William Whitelaw, Home Secretary, speaks at Oxford University Conservative Association lunch, Oxford.

BL Board meets to approve new strategy—pay talks conclude.

National Union of Agricultural and Allied Workers demonstrate

Today's Events

about pay outside Ministry of Agriculture, Whitehall Place.

Prince Charles visits Lloyd's, Lime Street.

Men of the Year luncheon, Savoy Hotel, London.

Overseas: Mr. Sack Lynch, Irish Prime Minister, starts eight-day visit to U.S.

DMF sells 444,000 oz of gold, Washington.

King Carl Gustav and Queen Silvia of Sweden start three-day state visit to Austria.

PARLIAMENTARY BUSINESS
House of Commons: Supply day debate on steel industry.

Motions on members' interests.

House of Lords: Debate on Government policies to deal with difficulties and opportunities facing the country.

Select Committees: Public Accounts—1977-78 Accounts of Manpower Services Commission. Witnesses: Department of Employment, Manpower Services Commission. Room 16, 4 pm.

COMPANY MEETINGS
Hampson Industries, Chamber House, 75 Harborne Road, Edgbaston, Birmingham, 12.

Throgmorton Sec. Growth Trust, 25 Milk Street, EC. 12.30.

West of England Trust, 13 Canynge Road, Bristol, 12. Zeiters, 56/58 Clerkenwell Road, EC. 11.30.

At CMC, it's the people that count...

Computer Machinery Company burst on the data processing market in October 1969 with the novel idea of using a small computer to prepare data for a big computer: total staff of 89... 3. Come October 1971 staff totalled 129 and 74% of them are with CMC now helping to develop, produce and sell mini-computer systems. Today, staff total 571 but employee involvement is as important, and just as evident, in '79 as '69. Pretend to last year's introduction by Computer Machinery Company of SOVEREIGN Multiple Processor Keying (a development which gave data preparation departments their first ever multi-computer system) was a company-wide name-choosing competition. One example of how CMC encourages employee participation. In 1974 CMC pre-empted the Bullock Report on Industrial Democracy by several years: "32 in Production; 25 Marketing/Admin types; and 17 Customer Service Engineers scattered all over the country.

two Worker Directors have attended monthly Board of Management meetings ever since. Another example of CMC employee participation. And CMC's latest REALITY ROYALE mini-computer/management information systems incorporate 70 enhancements suggested by customer service, technical support and R&D staff in the last three years.



The computer company where people count
Computer Machinery Company
Home Hemstead - Hertfordshire
A Microdata Company.

...and that adds up to a better product



UK COMPANY NEWS

Companies and Markets

Whitbread profit rises nearly 14% at midway

FOLLOWING expectations of a reasonable half year result, Whitbread and Co. reports pre-tax profits of £36.3m for the six months ended September 1, 1979, up 13.7 per cent on the £31.93m of the same period last year.

HIGHLIGHTS

The London stock market conducted an agonising U-turn yesterday afternoon when dealers caught sight of the October banking figures and the Lex column makes a reappraisal of current UK monetary policy.

Stated earnings per share are up from 10.46 p to 12.33p and the interim dividend is lifted from 1.2811p to 1.65p on capital increased by loan stock conversion and share options—the total last year was 4.7577p on pre-tax profits of £54.35m.

Looking further ahead, the directors say that, given reasonable trading conditions, continuity of good industrial relations and backed by the group's high investments in the trade, they are confident of the ability to take full advantage of future trading opportunities.

First half profit is after exchange gains of £188,000 (£148,000), depreciation of £7,26m (£7,12m) and interest, £3.98m against £5.23m. The Price Commission intervention, which delayed full implementation of price increases from March until June, cost the group some £5m in profits, bite directors say.

Table with 2 columns: Item, 1979, 1978. Rows include Turnover, Profit, Exchange gain, Depreciation, Bank and loan interest, Profit before tax, Tax, Net profit, Extraordinary items, Minorities, Amortisable, Pref. dividend, Attributable ordinary, Interim dividend.

The board states that despite some loss of sales caused by industrial problems at the Luton brewery earlier in the year, more beer was sold than in the same period last year and the group continued to gain market share.

The board is encouraged by the reception of the new lagers, Heidenbrau and Kaltenberg, and is confident that these, alongside Heineken and Stella Artois, will ensure that the group continues to take advantage of all segments of the growing lager market.

The new brewery at Magor will be in commercial production next spring and this additional capacity will play an important part in meeting future lager targets.

Led by Trophy Bitter, the group's ales continue to build

London & Provincial Shop rises

The net total dividend of London and Provincial Shop Centres (Holdings) is being stepped up from 0.223986p to 1.295p for the year to June 24, 1979, with a final of 0.93079p.

A year-end professional revaluation of investment properties including Westpoint shows an increase over book value of £20.7m. Net asset value per 10p share jumped 130 cent, from 146p to 336p.

Gross rental income rose from £1.07m to £1.4m—forecast midway. Current annual gross rental income is £2m (£1.1m). The directors say this will rise to £3.45m progressively over the next eight years, based on current rental values.

Pre-tax profits were 6 per cent higher at £551,000 (£517,000), in line with the forecast of over £540,000 made at the interim stage when the surplus was £532,000 (£521,000).

The net balance was 47 per cent ahead at £473,000 (£321,000) after a reduced tax charge of £73,000 (£196,000) because of capital allowances. Earnings per share are shown to have risen from 2.97p to 4.37p.

Outgoings attributable to developments, before tax of £652,000 (£430,000) have been met by transfer from capital reserve.

Acrow's £4.7m midway dive

REFLECTING THE serious disruption caused by the engineering strike and a drop in demand for cranes and containers, Acrow, the international engineering group, reports a sharp fall in interim profits—the first downturn registered by the group in 30 years.

With turnover falling from £73.52m to £69m in the six months ended September 30, 1979, pre-tax profits slumped by £4.67m to £1.31m, which is well below market forecasts.

Mr. W. A. de Visser, the chairman says that the backwash of the transport dispute early this year and the engineering strike, together with a dispute at Adams Containers, which is continuing, affected output, sales and profits. This also had a detrimental effect on export orders and figures for the half year were down from £43.18m to £36.22m.

Apart from the problems at Adams Containers, which was also affected by low world demand, Coles Cranes was hit by the troubles in Iraq. Since Iraq's withdrawal from the market, demand for cranes has slumped and one of the company's factories has been on a three-day week since the end of July.

Announcing a maintained net interim dividend of 1.5p the chairman says that he still looks to the future with confidence. The group is beginning to see the benefits of the modernisation programme and new products now available should contribute to future sales and profit performance.

In the year ended March 31, 1979, group pre-tax profits amounted to £14.3m from which net dividends totalling 3p were paid.

The group's UK properties have been professionally revalued. Compared with a book value of £14.96m they now have a market value of £22.14m and a replacement value of £66.33m.

See Lex

Carless Capel jumps £3m to £3.83m in first half

TAXABLE profits of Carless, Capel and Leonard jumped from £516,000 to £3.83m for the half year ended September 30, 1979 on turnover well ahead at £28m against £18.4m.

A good second half last year lifted the full year's profit to £2.9m. The directors then said they expected the satisfactory trend to continue during the first half of 1979/80.

After six months tax of £1.98m (£245,000) earnings per 10p share are shown as 4.7p (1.4p).

Following a dividend of 0.6826p, paid in August as a one-off recurring payment following the lifting of controls, a second interim of 0.8p net is announced.

And the directors intend to recommend a 1.25p final, although they do not expect second half profits to equal those of the first—last year there was a 0.4115p interim and a 0.6174p final.

Margins earned from the refining and marketing of most petroleum products have improved substantially on those which prevailed in the depressed markets early last year, directors explain.

Rapid oil price escalation coupled with the "first in, first out" method of stock valuation have further increased profits, the cash flow from which, they say, is essential to finance the additional working capital needs of the business.

The onshore UK exploration companies have identified a number of prospective structures and further seismic surveys are being undertaken in order to establish priorities for a drilling programme.

Offshore UK drilling is under consideration and may take place next year, they add.

Exploration and production activity is being increased in North America, where additional gas reserves have been

confirmed and sales are on a rising trend.

comment

If justification for the strong performance of oil stocks this year were needed, yesterday's figures from Carless, Capel and Leonard provided it. Oil prices rose by around 70 per cent during the first half, which largely explains the doubling in profits over the period.

The increase in naptha prices has been still more spectacular, so the earnings surge had been fully discounted and the shares actually lost 2p to close at 60p. A repeat performance cannot be expected in the second half and

NO PROBE

The proposed merger between BTR and Campbell and Isherwood is not to be referred to the Monopolies and Mergers Commission.

concluded and sales are on a rising trend.

comment

If justification for the strong performance of oil stocks this year were needed, yesterday's figures from Carless, Capel and Leonard provided it. Oil prices rose by around 70 per cent during the first half, which largely explains the doubling in profits over the period.

The increase in naptha prices has been still more spectacular, so the earnings surge had been fully discounted and the shares actually lost 2p to close at 60p. A repeat performance cannot be expected in the second half and

DIVIDENDS ANNOUNCED

Table with 5 columns: Company, Current payment, Date, Current dividend, Total dividend. Lists dividends for Acrow, Allied London Props, Bradford Prop, etc.

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Total to date—final of 1.25p forecast. § Plus special 0.8879p from total special deferred dividend received from Shell. ¶ Adjusted. || On capital increased by loan stock conversion and share options.

Wellco ahead to £865,000

WITH TURNOVER ahead at £9.5m, compared with £7.58m, Wellco Holdings, electrical distributor and manufacturer and industrial property developer, increased pre-tax profits from £643,219 to a record £865,439 for the year ended June 30, 1979.

At halfway, when reporting profits up from £291,363 to £365,313, the directors expected the full year's result to show an improvement over last time.

After tax up from £200,428 to £385,780, stated yearly earnings per 5p share were down at 4.16p (5.15p). A final dividend of 1p net raises the total payment from 1.25p to 1.4p.

Outgoings attributable to developments, before tax of £652,000 (£430,000) have been met by transfer from capital reserve.

See Lex

Newman-Tonks raising £2m at 57p per share

PRE-TAX profits of Roberts Adlard and Company, builders' merchants, increased from £305,000 to £330,000 in the first half of 1979, on turnover £0.9m higher at £5.9m.

After tax of £172,000 (£158,000), net profit came through at £158,000 compared with £147,000.

The net interim dividend is raised from 1.747p to 2p, and a bonus of £48,000 (£42,000). Last year a total of £22.14m and a replacement value of £66.33m.

See Lex

ISSUE NEWS

Chairman cash to expand Rotaco

By Alan Friedman

Chairman, the former Sri Lanka tea company which is headed by Mr. Oliver Jessel, is proposing a 1-for-2 rights issue of 15p in order to raise £200,000.

Mr. Jessel says the money will be used to finance the growth of the Rotaco subsidiary, the Rotaco Group, which handles UK distribution of White-Westinghouse, Friedlaender and Scholtes products.

Chairman lost its quotation in 1978 after the Government of Sri Lanka nationalised several tea estates. But trading has been brisk under Rule 123 and the shares were at 23p yesterday after news of an interim pre-tax profit of £31.165 and dividend payout of 0.5p. The Board said that a further improvement in profit is expected in the second half.

Chairman, which has a market capitalisation of around £627,000, is a holding company with three main interests. These are the Rotaco company, a stake in the Charles Clifford group to Birmingham metals (Bm) and Hightower Design Services (a manufacturer of drilling machines).

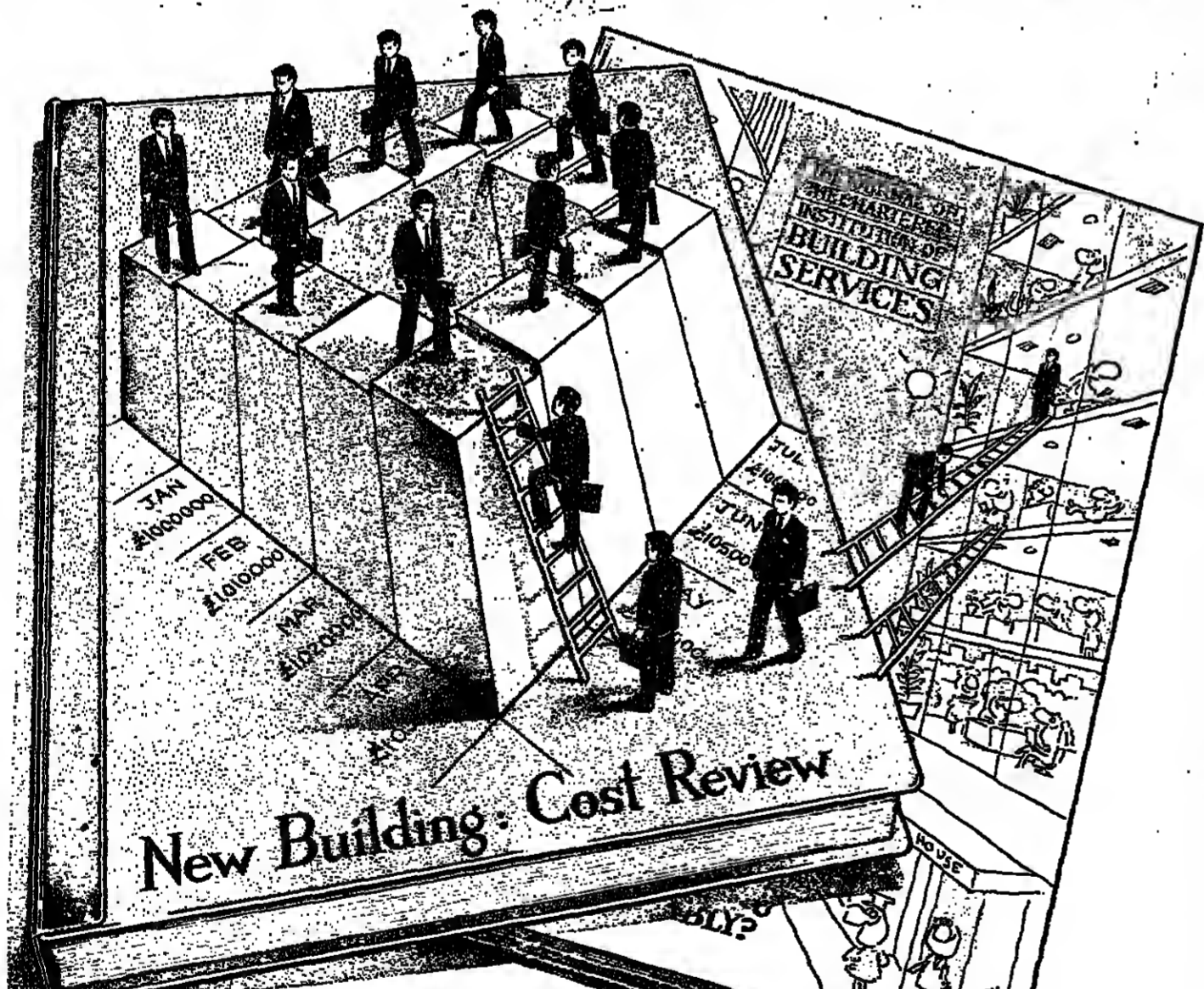
In the six months to June 1979, Rotaco and Charles Clifford were profit makers, while Hightower was in the red. But Mr. Jessel reports that the latter is now back in the black. In addition, the Chairman group recently received its half-yearly payment of £65,416 as compensation for Sri Lankan tea estates; another £235,000 is expected over the next two years.

Mr. Jessel, who has used Chairman as a vehicle for the acquisition of Rotaco and for acquiring a 29.6 per cent interest in Charles Clifford, claims to be confident about the prospects for Rotaco. "Mr. MacIntosh-Hume, the managing director, has made a great success at Rotaco and I'm very pleased to back him up," he said.

YEARLINGS UP TO 143%

The interest rate on local authority yearling bonds jumped a further half point yesterday to 14 1/2 per cent. Dated November 12 1980 the bonds are issued at par.

This week's issues are: West Glamorgan County Council (£1m), Brentwood District Council (£1m), Walsall Metropolitan Borough Council (£1m), Shepway District Council (£1m), London Borough of Lambeth (£1m), City of Sharnford (£1m), Stafford Borough Council (£1m), City of Norwich (£1m), Borough of High Peak (£1m), Doncaster Metropolitan Borough Council (£1.35m), Metropolitan Borough of Solihull (£1m), Merthyr Tydfil Borough Council (£1m).



Building costs won't stop going up. But you can control them.

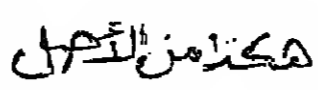
No one's going to stop building costs going up for a while yet. But contrary to the impression you may have got from certain well-publicised contracts, costs can be kept under control—and a lot of the people who know how to do it are working for Bovis.

Form for Bovis Construction Limited, Bovis House, Northolt Road, Harrow, Middx. HA2 0EE. Telephone: 01-422 3488. Fields for Name, Company, Address, Tel.

Whas: Bovis contribute is, above all, management. If you would like to know how our methods could save you money, get in touch with John Gillham on 01-422 3488.

Capper Neill Interim Statement. The Directors of Capper Neill Limited announce that the unaudited results for the first half of the current year to 31st March, 1980 are as follows: Half year to 30th Sept. 1979, Half year to 30th Sept. 1978, Year to 31st Mar. 1979. Includes financial data and key points like Interim Dividend Substantially Increased, Engineers' Strike Costs £300,000, etc.

LEARN IT HERE PRACTISE IT THERE. The next International Senior Executive Course at Manchester Business School runs from 17th March to 4th April, 1980. Includes a week in New York studying critical problems of multinational executive management and investment opportunities in the U.S. with leading Wall Street institutions.



Eva static but hopes for better second half

DESPITE A profit downturn in the 26 weeks ended September 29, 1979, the directors of Eva Industries remain optimistic for the second half "provided the country can avoid yet another major industrial confrontation."

Turnover in the 26 weeks showed a marginal increase from £13.8m to £14.5m but pre-tax profits amounted to £910,000 compared with £1.63m in the same period last year.

	Half-year 1979	1978
Sales	14,476	13,572
Agric. tools	5,342	5,338
Eng. products	5,089	3,739
Eng. services	2,130	1,814
Forging, foundry	1,047	1,134
Investment	858	1,587
Trading profit	1,138	1,220
Interest charges	228	183
Pre-tax profit	910	1,037
Agric. tools	579	574
Eng. products	288	258
Eng. services	2	92
Forging, foundry	34	70
Investment	14	40
Taxation	70	273
UK tax	38	80
Overseas tax	32	193
Minorities	114	50
Exchange losses	11	11
Attributable	291	488
Interim dividend	225	225

The interim dividend is being maintained at 2.4p per share—last year's total was 5.36p from pre-tax profits of £1.98m.

Out of 26 weeks' trading, one half of the UK subsidiaries' companies were directly affected by the engineering strike and an overtime ban for 10 weeks, and all UK companies were indirectly affected during that time, the directors say.

In the second quarter trading losses were recorded in no less than seven UK companies.

The agricultural tool division profits were stable, primarily due to improved results from overseas companies, but African markets which are currently supplied mainly from the UK have not recovered as quickly as had been generally expected.

Lister regains momentum after slow first quarter

ALTHOUGH the dual impact of the transport strike and bad weather has continued to affect road trading at Lister and Co. in the first quarter of the current year, since June the full sales momentum has been regained.

The group, a textile manufacturer and a supplier to Marks and Spencer, is now looking at an order position which will carry it through to the New Year, reports Mr. L. E. Korber, chairman.

In the first half of the year ended March 31, 1979 an advance from £338,000 to £805,000 in pre-tax profit was shown and the directors said that profitability continued to improve. However, the figures for the full year were hit by the transport strike and the bad winter weather and a fall from £1.48m to £1.14m was recorded.

At the attributable level the balance was cut from £885,000 to £74,000. This was due to further extraordinary expenditure of £945,000 being the cost of redundancy payments and non-recurring re-organisational expenses.

To finance this spending the overdraft was increased from

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

Company	Date
Interim: Airflow Sussanlines, Henry Scott, Cassara Investment Trust, Federal Agricultural Industries, Harwell, London Trust, Mountview Estates, Resident International, Rust and Tomlin, Salisbury, Usher-Walker, Finsler: Central Manufacturing and Trading, Common Brothers, Jenks and Cassell, United City Merchants. <td></td>	
Interim: Airtish-Bornae Petroleum, Syndicate, Chamberlain and Hill, Nicosia (Amos), Ocean Wilsons, Property Holding and Investment, Wright Holdings, Young Companies Investment. <td>Nov. 8, 14, 15, 19, 18, 14, 12</td>	Nov. 8, 14, 15, 19, 18, 14, 12
Final: Akroyd and Smithers, Australia and New Zealand, Banking, Manganese Bronze, Vaux Breweries. <td>Nov. 22, 19, 15, 13</td>	Nov. 22, 19, 15, 13

Some of the companies in the engineering products division were significantly handicapped by the industrial action and all initial setting up expenses in relation to the manufacture of the "Trantor" have been written off against revenue.

Prospects for the division during the second half are for useful improvement, the board states.

The engineering services, forging and foundry, and investment divisions were all progressing favourably up to the end of July and the directors believe that this progress will be resumed during the second half.

Discussions regarding hand tool manufacturing in Indonesia continue but progress is slow.

Tern-Consulate expects continued growth

As previously indicated, any new arrangements in Uganda will not be completed in the short term.

No specific developments are reported from the continuing litigation arising from the Robert R. Stockis (Manchester) acquisition in 1977, the directors state.

Anglo-Indonesian Corporation holds a substantial stake in the Eva capital.

comment

As one of the first companies to report results which include the period of the engineering dispute, Eva Industries is of some interest. The 11.7 per cent pre-tax profits decline did not daunt the board and remain unchanged at 81p. The reasons for the earnings drop include reduced exports (down 10 per cent), margins squeezed by the strong pound, trading losses in six UK engineering companies (totaling £47,000) and generally lower profitability on the engineering side of the group. The agricultural tools side was recovering nicely, however, with a better showing in Brazil and Thailand. But the Eva group has a chequered past and there is not yet clear evidence to warrant the board's optimism for the second half. The dividend has been maintained at the interim stage and if last year's total is repeated then a yield of 9.8 per cent is possible.

PROFITS MORE than doubled at Tern-Consulate, shirt, tie and knitwear manufacturer, in the six months to June 30, 1979, rising from £102,168 to £204,777.

And although High Street sales have not been encouraging since the June Budget, says Mr. P. J. Barden, chairman, the group's diverse product range and marketing policies will ensure a reasonable second half. He adds that the results for the whole year should reflect his earlier expectations of continued growth.

Turover for the period went ahead by 60 per cent, from £2.03m to £3.27m, and the profit is struck after interest of £47,202 (£44,234). There is no tax charge this time (£13,507).

An interim dividend of 2.0p (1.75p) is announced—total last year was 3.6p on taxable profits of £376,700.

The group has entered into a royalty licensing agreement with the Nishio-Iwai Company of Japan, giving it exclusive use of the brand names "Tern" and "Inigo Jones" for Japan and China. A complete range of men's wear bearing these brand names will be distributed as part of the agreement through the NICHU chain.

There are currently 50 "Tero Shops" throughout Japan and it is planned that this number will double by the end of 1982. Inigo

Jones will start with 20 "Complete Man" shops and a similar growth pattern is expected.

comment

Even stripping out the contribution from Robert Charles, acquired last November and chipping in £450,000 to sales in the first half, Tern-Consulate has come up with some impressive-looking figures. The traditional seasonal bias will not apply this year because of the greater proportion of spring/summer wear and the tough conditions in the retailing market after the "beat the VAT spending spree." Nevertheless profits of over £400,000 are on the cards and a payout of at least 4p looks on the way. On that basis the p/e of 4.3 (nil tax charge) and yield of 7.6 per cent at 75p look reasonably attractive. Tern is increasing its market share and the licensing deal in Japan could be a money spinner. Over the next two years Tern should get £50,000 from royalties coming straight in at the bottom line and there could be a lot more to come. The recent acquisition of Lloyd Menswear—manufacturing swimwear and dressing gowns—was mainly an asset buy, yet it will make a contribution in 1980. Further acquisitions in the second half of 1980 to widen the group's range are being considered, though short-term any weakness in the menswear market after

Christmas will have some impact on growth.

Record year at Jessups

AS EXPECTED, Jessups (Holdings) has turned in record results for the year ended August 31, 1979. Turnover was up from £25.75m to £30m and pre-tax profits increased to £830,408 against £772,746 previously.

The directors say the outcome is most satisfactory in a year of high interest rates and supply difficulties from motor manufacturers. With the group's interest in Ford, Vauxhall, Bedford and leasing, continued progress in 1980 is anticipated.

The final dividend is anticipated 2p lifting the year's total from an adjusted 1.85p to 3p. Tax takes £53,614 (£40,667) leaving net profits at £776,794 against £732,078. The accounting standard on deferred tax has been adopted and tax on profits is in respect of ACT only. Previous year's figures have been restated accordingly.

CHARTER CONSOLIDATED LIMITED

SCHEME OF ARRANGEMENT

Shareholders will be aware that in terms of the Scheme of Arrangement proposals dated 22 October, 1979 they are entitled to receive one new share in Minerals and Resources Corporation Limited (Minorco) for every four fully paid shares held in the company on 13 November, 1979. No action need be taken in order to qualify for the new Minorco shares.

Shareholders who wish to accept the cash offer for the new Minorco shares to which they will become entitled must complete and sign part 2 of Form X (which no longer requires a declaration of residence or the stamp of an Authorised Depository) and return it direct to the company so as to be received *not later than 3 p.m. on Wednesday 14 November 1979*. Any acceptance of the cash offer received after that time will be treated as invalid.

Residents of Zimbabwe Rhodesia who wish to qualify for new Minorco shares or accept the cash offer should follow the procedure outlined in the circular posted to members on 29 October, 1979.

By order of the board
CHARTER CONSOLIDATED LIMITED
D. S. Booth
Secretary.

Registered Office:
40 Holborn Viaduct,
London EC1P 1AJ.

6 November, 1979

47 companies wound-up

Orders for the compulsory winding up of 47 companies were made by Mr. Justice Oliver in the High Court. They were: Hansa Milk, Zakward Properties, Eurnameo, Blake Rooney and Amancer (UK).

Air Replacements (Nottm.), Cavalcade Developments, D. W. Miles (Haulage), Donnellan (Plant Hire), Brimpton Hatch and Blake and Son (B and T).

MDS Magazine Distribution Services, Cambrian Mortgage Brokers, Hi-Line Aerial Turner Brothers (Dry Lining Systems), Templars Investments and Madgal (Printers).

Mead Carney and Co., The Midland Design and Building Centre, Sweetmanor, SC Draughting Services and Geoff Gill Associates.

L. C. Evis and Co., W. J. Green (Painters and Decorators), Eze R and BW Civil Engineering Contractors, Nordic Steel (Scan-Form) and B. Heeley Haulage.

Token Television Maintenance, The Court Ballrooms (Balham), Cawsons (Machinery) Company,

FALL BY LONDON ENTERTAINMENTS

Taxable profits of London Entertainments, theatre production and management concern, fell from £81,107 to £46,978 in the second six months to August 31, 1979, leaving the full year's figure lower at £127,961 against £146,802 previously.

After tax of £46,944 (£57,182), yearly earnings per 20p share slipped from 2.43p to 2.21p. The dividend is 1.57p net, against 1.5p.

Interference, Lee Electrical Installations (Barking) and Newbold and Dobson (Commenza Wear).

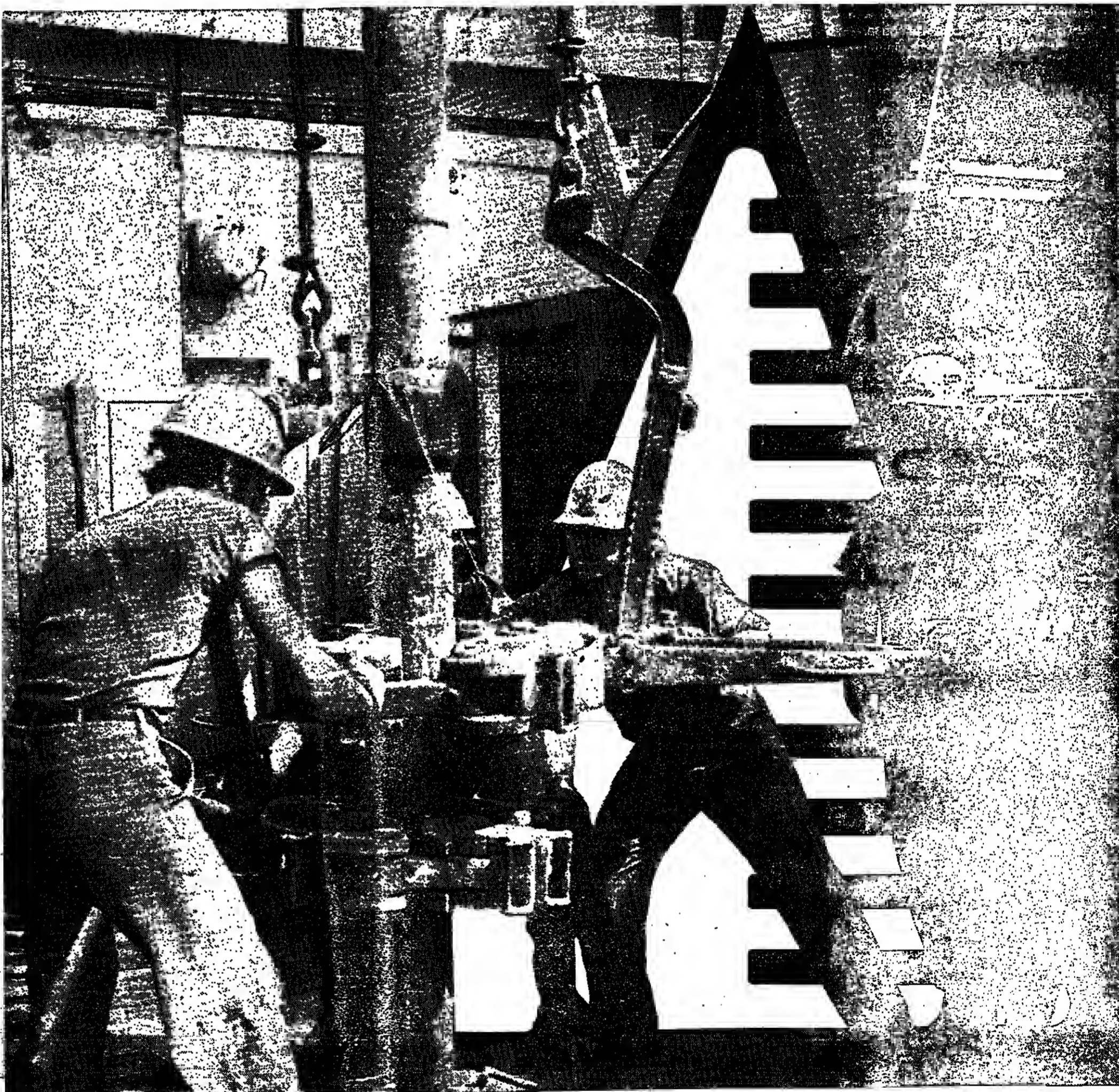
R and G Auto Services, R. A. Gregory (Car Sales), Seal (Motor Panels), Lurkhurst Builders, Gerald Kemp (Motor Racing Development and Carpet City (Loughborough)).

Holt Southey, Joy and Sue Guppy, Pekens (Builders), Super Specialised Heating Services, Saitona Construction, Homedell and Argy (Iron and Steel).

The compulsory winding up orders made on October 29 against Tyrella Company and Jitem (Properties) were rescinded and the petition dismissed by consent.

A compulsory order made on October 29 against Foamalite was rescinded and adjourned for 21 days, after the Inland Revenue, as supporting creditor, was given leave to be substituted.

A compulsory order made on October 29 against Crowforest was rescinded and adjourned for 14 days, with leave to amend and re-serve the petition on the company's new registered office.



In the North Sea Bankers Trust provides the energy specialists and the financial muscle.

The Bankers Trust Pyramid is well known in the North Sea. Not only is it the symbol of a transnational bank of considerable weight, but of a group of bankers whose financial expertise is more than equal to the formidable needs of those who plan, explore and develop European energy interests.

From a straightforward corporate loan to the most intricate production payment deal, Bankers Trust's European Energy Division is ready to give all the help that is

needed. Our geologists and engineers will go anywhere that our North Sea customers need us.

We are currently working with most of the major North Sea oil and gas producers and many of the smaller ones, too. We are also working with a high proportion of those providing the specialised equipment and ancillary services for the energy industry.

In the North Sea and wherever you see the Bankers Trust Pyramid, you are dealing

with a full service bank in the fullest sense of the word, with the capacity to raise, lend and manage money worldwide.



Contact Donald R. Carse, Vice President and Division Head, European Energy Division, 9 Queen Victoria St., London EC4P 4DB. Telephone: 01-236 5030. Telex: 883341.

Headquarters: New York. In the United Kingdom, branches in London and Birmingham and a representative office in Manchester. Other branches: Milan, Paris, Bahrain, Seoul, Singapore, Tokyo, Nassau and Panama City. An international Banking Network of branches, subsidiaries, affiliates and representative offices in more than 30 countries on six continents.

COMPAGNIE FRANCAISE DE L'AFRIQUE OCCIDENTALE

In a letter to Shareholders dated 22nd October 1979 the Chairman, Mr. Jacques MULLIER, commented on the unaudited results for the first six months of the current year as follows:—

At Company level the net profit stood at Frs.20 million compared with Frs.19.8 million a year previously.

At Group level the consolidated figures, expressed in millions of Francs, were as follows:—

Turnover	30.6.79	30.6.78
	3,309.0	3,135.0
Net Profit		
Group	71.5	54.6
Interests outside Group	10.9	11.3
Net Situation		
Group	1,211.6	894.5
Interests outside Group	170.6	169.5
	1,382.2	1,064.0

The relatively modest increase in turnover was partly as a result of the 60% devaluation of the Cedi in August 1978 coupled with the disposal on 1st January 1979 of the Paris-based SODIM/PARIS-MEDOC chain of retail stores.

MINING NEWS

Canada must step up mine development

BY KENNETH MARSTON, MINING EDITOR

UNLESS MINERAL exploration is encouraged in Canada, particularly in the northern part of the country, its mineral output will not be sufficient to meet domestic and foreign requirements beyond the 1980s, according to Mr. John McCreedy, president of the Mining Association of Canada.

He estimated that by the year 2000, as many as 230 new mines would have to be developed if Canada was to hold on to its share of the world mineral market, reports John Sopanish from Toronto. Mr. McCreedy said that this meant that 13 new mineral deposits would have to be brought on stream annually.

However, the rate of discovery of new deposits in Canada has declined from a peak of 14 in the early 1960s to an average of five in the period 1971-75. He pointed out that availability of new reserves was governed by the relationship of metal prices and return on capital to operating costs.

Higher metal prices could dramatically improve the reserve position by bringing in previously uneconomic ore. "Our vast reservoir of minerals is further evidenced by indications that upwards of 1,000 identified mineral deposits are currently not being mined in Canada."

On a hopeful note, Mr. McCreedy said that progress was now being made in Canada to formulate resource policies which recognised the cyclical nature of mining and the need for greater harmony, equity and stability in

De Beers is understood to have changed its arrangements for transporting diamonds from South Africa to London. Instead of coming direct, the bulk of them are now routed via Switzerland and this partly explains why the value of South Africa's total exports to the UK fell sharply in the first six months of this year.

But why De Beers has been sending its diamonds by an indirect route remains a mystery. A spokesman for De Beers was unable to throw any further light on the matter yesterday, although he confirmed that London remains the diamond sorting and valuing centre and that the regular "sights" — sales held 10 times a year to which selected dealers are invited — will continue to take place in London.

federal-provincial tax systems, as well as areas of overlapping and concurrent jurisdiction.

Oakbridge and Sumitomo in new coal deal

OAKBRIDGE, the Australian coal and industrial group, is expanding its links with the Sumitomo group of Japan. Two Sumitomo units are spending A\$7.55m (£4m) to acquire a 20 per cent stake in Oakbridge's Wallerawang colliery.

Sumitomo has a 15 per cent interest in another Oakbridge

colliery, the Hermitage, which yoke Wallerawang, is near Lithgow in western New South Wales.

Wallerawang production has been running at 800,000 tonnes a year but reserves at the present mine are running down. The Sumitomo companies are to undertake a feasibility study of a nearby development area with the idea of raising production to 1.5m tonnes a year.

The Oakbridge-Sumitomo agreement will come into effect on March 31, 1980, provided the Australian and Japanese Governments give their approval. Oakbridge said in Sydney yesterday.

Development costs will be met in proportion to the shareholdings in the project. Should the project come to fruition it will help to add substantially to Australia's total output. Its expansion plans also encompass a joint venture with British Petroleum at the Clarence colliery, another New South Wales operation. Oakbridge shares in London yesterday were 139p.

ROUND-UP

Production revenue from its Western Australian tin mine totalling A\$1.09m allowed Endeavour Resources, the Australian exploration company, to record its first quarterly operating surplus. Income for the three months to September was A\$208,516 (£111,120). The shares at 18p.

Amax, the diversified U.S. group, has set up Amax Australian Ventures, thus restructuring its Australian interests. The principal function of the new company will be to facilitate liaison with the company's co-venturers at the Mount Newman iron ore project and to investigate new opportunities. Assuming success, the new company will invite local equity participation.

Freeport Minerals, the New York-based group, has declared its regular quarterly dividend of 30 cents (14.5p).

Colombia's reserves of uranium oxide could total 40,000 tonnes, according to Mr. Michel Hermelin, director of the Institute of Geological Investigation and Mines in Bogota. Survey work has been carried out by France, Spain and Minatome of France.

The development of Polaris was foreshadowed last June when Cominco disclosed that it planned to spend C\$600m on bringing three new mines to production in the next five years. One of these is Polaris. The other projects are the Que River lead-zinc deposit in Australia and the valley Copper deposit in British Columbia. Output is expected in 1982.

Vanadium boost for Poland

WORK IS to start early next year on an iron ore mine and beneficiation plant in north-eastern Poland which could be producing from 25 to 30 per cent of present world production of vanadium pentoxide by the end of the next decade, reports Christopher Bobinski from Warsaw.

According to the Polish Ministry of Metallurgy, the iron ore deposits at Krzemionka, near Suwalki, contain vanadium and ilmenite and it is expected that construction of a pilot mine with planned annual capacity of 8m tonnes will take from eight to 10 years.

The iron ore mined at Krzemionka will be used for domestic production while an agreement for the delivery of vanadium and ilmenite has been signed with a West German consortium headed by Metallgesellschaft.

Exploitation of the iron ore will begin at a depth of 1,000 to 1,200 metres. The deposits are as deep as 2,000 metres or more. Deposits similar in geological structure and content are mined at Oranmaki in Finland.

Initial financing worth DM 750m (£202.4m) has been provided by the West German Dresdner Bank, the Bank für Gemeinwirtschaft, Commerzbank and the Deutsche Bank.

21% advance by Barclays National

Maintaining their growth pattern in the second six months to September 30, 1979, pre-tax profits of Barclays National Bank for the 12 months to that date improved some 21.4 per cent from £69.2m to £84.1m. The company is a 64 per cent-owned subsidiary of Barclays International.

The year-end is to be changed to December 31, so full details of how the increase was achieved will not be available until early next year. However, it appears from the second interim report that the group benefited from a lower bad debt provision and a channelling of lending through its subsidiary, Western Bank, taking advantage of better hire purchase and leasing returns.

At the net level profits moved ahead from £36.8m to £48.6m. Total deposits rose to £4,366m (£3,390m) while advances and other accounts (which include leasing and hire purchase) increased to £2,346m (£2,574m).

Earnings per share are up from 89.1 cents to 90.1 cents and a dividend based on figures for the extended period to December 31, 1979 will be declared next February.

WHITBREAD AND COMPANY LIMITED

HALF YEAR REPORT

Results for the six months ended 1st September 1979

Whitbread and Company Limited announce unaudited results for the six months to 1st September 1979, and an Interim Dividend of 1.65 pence per share (1978/79=1.3234 pence). The Interim Dividend represents an increase of 24.7% and reflects an additional payment in respect of the Final Dividend for the year to 3rd March, 1979, which was declared prior to the reduction in the basic rate of income tax from 33% to 30%.

Turnover and Profits

The consolidated turnover for the six months was £365,253,000, an increase of 13.9% over the same period last year. Profit before Tax and Extraordinary Items was £36,311,000 and Profit after Tax was £28,411,000 showing increases of 13.7% and 19.3% respectively. This was achieved despite the Price Commission intervention, which delayed full implementation of price increases from March until June and cost us approximately £5,000,000 in profits. We welcome the present Government policy of less interference in business which enables us to concentrate all our efforts on trading and greater productivity.

Trade

Despite some loss of sales, caused by industrial problems at our Luton Brewery earlier in the year, we sold more beer than in the same period last year and we continued to gain market share.

We are encouraged by the reception of our new lagers, Heldenbrau and Kaltenberg, and we are confident that these, alongside Heineken and Stella Artois, will ensure that we continue to take advantage of all segments of the growing lager market. Our new brewery at Magor will be in commercial production next spring and this additional capacity will play an important part in meeting our future lager targets.

Led by Trophy Bitter, our sales continue to build market share, with our regional brands, such as Marlow Bitter, Tuskar, Pompey Royal and Welsh Bitter doing particularly well.

Our progress has been supported by the growing strength of our canned beer trade through our Take Home Division and the continuing expansion of our catering outlets.

Our wines and spirits sales have increased substantially both at home and overseas with Long John International and Langenbach's Crown of Crowns turning in good trading performances.

Increased profit contribution was achieved by our Soft Drinks Division through substantially increased sales of Rawlings mixers and fruit juices and an improvement in the volume of R. White's lemonade.

	Six months to 1/9/79	Six months to 26/8/78
Turnover	£365,253	£320,685
Profit before depreciation and funding charge	49,359	44,135
Gain on foreign exchange	189	145
Deduct: Depreciation	(7,240)	(7,120)
Bank and Loan Interest payable	(5,977)	(5,234)
Profit before Taxation and Extraordinary Items	36,311	31,926
Current Taxation	7,900	8,106
Profit before Extraordinary Items	28,411	23,820
Extraordinary Items, less Taxation attributable thereto	716	1,020
Attributable to Minority Interest	(29)	(9)
Attributable to Members of Holding Company	29,088	24,831
Preference Stock Dividend	(208)	(208)
Attributable to Ordinary Shareholders	28,880	24,623
Interim Dividend on Ordinary Shares	4,024	3,026
Interim Dividend—pence per Share	(1.65)	(1.3234)
Earnings—pence per Share—Basic	12.33	10.46
Fully Diluted	11.22	9.55

NOTE—The interim dividend will be paid on 10th January, 1980, to shareholders on the Register at close of business on 30th November, 1979. As a result of the conversion of £1.65 million of the £14.4 million 11% Convertible Unsecured Loan Stock 1990/95 on the 15th September, 1979, the exercise of a number of employee share options the ordinary share capital on which the interim dividend will be paid has increased to approximately £61.0 million (£57.0 million for the corresponding dividend for the previous year).

Future

Although it is always difficult to forecast, our growth trend is continuing during the second half of 1979/80. Looking further ahead, it is difficult to see a clear picture, but given reasonable trading conditions, continuity of good industrial relations and backed by our high investments in the trade, we are confident of our ability to take full advantage of future trading opportunities.

Brewery, Chiswell Street, London EC1Y 4SD

WHITBREAD

A STEP BY STEP GUIDE TO PROFIT IN WALES.

Wales is well placed to help the company looking to expand. It's the nearest assisted area to the major markets of London, the South East, the Midlands and continental Europe.

Which means that incoming and expanding industry may qualify for useful Government help.

The Welsh Development Agency has sites in many areas where you can build a factory or you may be able to provide one. We are currently building factories from 1500sq. ft. to 50,000sq. ft. Many of them allow for at least 100% expansion.

Factory rents in Wales are attractive. In some areas they could be about half what you might pay in London or the South East. You may qualify for a rent-free period.

We may be able to invest directly in your project. We can certainly advise you on other sources of funds.

Communications to and from Wales are good. With fast road and rail links to the major markets. London, for example, is less than two hours by train from South Wales.

Skilled labour is also readily available much of which has experience in high technology industry.

Once you count the advantages of working and living in such a pleasant environment, they add up to a lot of reasons why you should consider Wales. Post the coupon and we'll tell you more.

Welsh Development Agency

To: Welsh Development Agency, Treforest Industrial Estate, Pontypridd, Mid Glamorgan, CF37 5UT. Tel: Treforest (044 385) 2666. Please tell me more about industrial opportunities in Wales.

Name _____

Position _____

Address _____

MOVE TO WALES. IT WORKS.

Some of Europe's most enterprising young international bankers work for America's oldest bank

Like all First Pennsylvania Bankers, Len Caldwell knows that the race belongs to the swift.

Responsiveness has been a First Pennsylvania Bank tradition for nearly two centuries. We are the largest commercial bank in Philadelphia and have flourished longer than any other United States bank because we remain alive to challenge and alert to opportunity. Now you can put our responsiveness (and enterprising people like Len Caldwell) to work for you, solving your international banking problems. Call us. We're represented worldwide. And we'll answer quickly.

First Pennsylvania Bank

هكذا من العمل

Shipping & engineering push Ropner ahead

THE TAXABLE surplus of Ropner Holdings rose from £1.71m to £2.08m in the six months to September 30, 1979—increased profits on the shipping and engineering sides offsetting downturns in insurance broking and property development.

The directors expect the full-year profit to show a significant increase over the £2.85m (£2.37m) achieved last time.

The net interim dividend is stepped up from 1.1886p to 2p—a total of 3.1959p was paid in 1978-79.

Turnover for the half-year rose from £3.05m to £4.10m. After tax of £1.06m (£0.89m), earnings per 25p share are given as 6.5p (5.4p).

Shipping profits—well ahead at £870,000 (£350,000)—include the trading results of m.v. Appleby which was delivered in October, 1978. The increased interest charge of £417,000 (£283,000) reflects the interest payable on the loan relating to that ship.

Engineering profits—up from £948,000 to £1.36m—include six months' surplus from Frederick Greenwood and Sons (Holdings), acquired at the end of last year. Insurance broking profits slipped from £216,000 to

1979	1978
Turnover	3,050
Depreciation	1,000
Profit	1,954
Associates	73
Profit before tax	2,027
Tax	1,055
Net profit	972
Minorities	295
Dividends	869
Retained	964

comment

With the bulk of its ships on long term charter and a useful cushion of engineering interests, Ropner Holdings has sailed through the shipping recession unscathed. Interim pre-tax profits are 19 per cent higher, the interim dividend is up by 88 per cent and the group is talking of a "significant increase" in full year profits. Ropner does not seem to have been affected by the engineering dispute and the shipping side is benefiting from the recent strength of the bulk shipping market. Full year pre-tax profits could be up from £2.8m to £3.5m. On the conservative assumption that the group pays a dividend of 4p net for

1979-80 the shares yield 8.9 per cent and sell on 5.6 times prospective fully taxed earnings.

E. J. Riley upsurge to £0.8m.

Profits before tax of E. J. Riley, the snooker and furniture group, rose almost 62 per cent from £496,913 to £803,023 in the year ended July 31, 1979, on turnover up from £4.95m to £8.33m.

Earnings per share are stated as 6.73p against 4.22p and the final dividend is lifted from 1.6p to 2.25p making a total of 3.5p compared with 2.6p previously.

Extraordinary debits in the year total £2,988 (£9,286) comprising £13,685 (£27,789) losses on termination activities, £10,720 profit (£5,527 loss) on sale of property and a £20,000 overprovision in the previous year in relation to guarantee payments.

1979-80 the shares yield 8.9 per cent and sell on 5.6 times prospective fully taxed earnings.

Martonair earns and pays more

Profits before tax of E. J. Riley, the snooker and furniture group, rose almost 62 per cent from £496,913 to £803,023 in the year ended July 31, 1979, on turnover up from £4.95m to £8.33m.

Earnings per share are stated as 6.73p against 4.22p and the final dividend is lifted from 1.6p to 2.25p making a total of 3.5p compared with 2.6p previously.

Extraordinary debits in the year total £2,988 (£9,286) comprising £13,685 (£27,789) losses on termination activities, £10,720 profit (£5,527 loss) on sale of property and a £20,000 overprovision in the previous year in relation to guarantee payments.

taxed p/e of 7.7 is not too high for a company with prospects for continuing growth.

Clement Clarke improves

FOLLOWING a rise to a record £1.26m for the previous year, taxable profits of Clement Clarke (Holdings), dispensing opticians, improved to £588,000 for the first half of 1979 compared with £533,000. Turnover for the period was £5.36m against £4.58m.

And the directors are confident that targets will be met for the full year, provided the economic and industrial position does not deteriorate.

After six months' tax of £243,000 (£249,000) net profits came through at £355,000 against £284,000 giving earnings of 5.55p (4.4p) per 25p share.

The net interim dividend is effectively increased to 1.0488p (0.7852p)—last year's final payment was an adjusted 1.0259p.

The optical and surgical instrument subsidiaries produced satisfactory figures, although the expected increase in home instrument sales did not materialise due to the continued static ordering position from the NHS, directors say.

Currently the optical retail sector is continuing to increase, and historically directors expect its best figures to the second half.

Negotiations are in an advanced stage for a number of new optical branches and these should be operating before the end of the year.

The instrument subsidiaries are still experiencing slow domestic sales growth, and they feel there is some evidence that the strength of sterling overseas is having an effect in certain export markets.

comment

It has been a good year for Martonair International. Higher wage costs and the lack of skilled labour in industry generally have helped the group sell its pneumatic control equipment in a move to further automation, particularly on the continent, which now accounts for over two-thirds of sales. The company also increased prices and experienced an average volume rise of 8 per cent. Exchange conversion could have cost the group a lot more than the estimated £150,000 which was shaved off the top of pre-tax earnings. Elsewhere trading seems to be picking-up in France, where Martonair has sizeable interests. The total net dividend might have been put up a little more, but the 23 per cent increase lifts the yield to nearly 6 per cent at 170p. The fully

Bridport-Gundry second half fall

EXTERNAL TURNOVER of Bridport-Gundry (Holdings) rose from £12.39m to £14.1m for the year ended July 31, 1979, but reflecting the effects of intense competition, pre-tax profits of the netting and cordage manufacturer were lower at £763,000 against £731,000, after a drop from £973,000 to £439,000 in the second half.

The result was struck after increased exchange losses of £75,000 (£21,000). The group's UK companies suffered from the effects of the strong pound and the volume of export business and profit margins were both under pressure.

The group's raw materials which are mainly oil-based have risen rapidly in price during the period. However, the position has stabilised and the volume of stocks, which was increased to obtain materials at the lowest cost, is expected to fall to normal levels.

Mr. R. W. Holder, the chairman, warns that the current year will be difficult for the textile industry. However, confidence in a management analysis of group activities and a strong balance sheet have led the Board to budget capital expenditure on new plant and machinery of £375,000 in the current period, of which £30,000 has already been approved. Expenditure in the year under review was £293,000.

Orders remain generally satisfactory throughout the

1979	1978
External turnover	14,104
Profit before tax	763
Taxation	77
Net profit	686
Minority interest	44
Exchange losses	103
Excess debit	1
Attributable	538
Pre-division	5
Ord. dividend	211
Retained	321

group, but the chairman adds that none of the large enquiries on the defence side, referred to in the interim report, has yet resulted in an order, although negotiations continue.

Yearly earnings per 20p share rose from 6.26p to 7.27p and the total dividend is lifted to 2.41p (2.1p) net, with a 1.52p final dividend for 1978-79.

Control of the manufacture of sheet netting has been transferred to the twisted products division.

The company has continued to improve the quality of its Hayward "seaspeed" sailcloth and is introducing modern machinery in the narrow fabric side of the weaving business. Although profits were again disappointing, much was achieved by the management to give the Board confidence in the future.

Brownell in the U.S. had a good year, exceeding budgeted profits. Since the year-end, the small business in Anglers Lines has been sold, on which margins were poor. The space made available is helping the group to expand into the field of air cargo nets and to improve further the efficiency of "Edwards" sports nets, the progress of which, the chairman says, has justified buying back the franchise from the former distributors.

North Mills textiles progressed satisfactorily, but suffered from the effects of the Bridport flood in May and had this not occurred, profits would have been exactly on budget.

In the netting division, the factored marine trade and the trawl-making businesses in Scotland and Ireland did well, and service to the fishing industry will be improved by this section's acquisition of a majority interest in J. and W. Stuart of Musselburgh.

Marginal midterm drop at McInerney Properties

WITH THE bad weather of the first five months of this year having a more severe effect than anticipated, and the credit squeeze in Ireland causing further delays in sale completions and also increasing costs, pre-tax profits of Dublin-based McInerney Properties fell marginally from Irish £485,000 to £454,000 in the first half of 1979.

The directors say that full year results may be below expectations but the outlook for 1980 is more promising despite the unsettled conditions.

Competition for contract work has continued to be very severe

and the level of the workload is reducing. However, prospects for design and building schemes using the group's Macframe system are more promising.

The length and extent of the credit squeeze have made the outlook more difficult to forecast. After quite a drop in overseas turnover for the current year, there are definite signs of much greater activity in 1980.

	Six months	12 months
	1979	1978
Grp. turnover	18,282	16,122
Private busn.	2,553	1,053
Contracts	14,059	13,398
Other sales	1,270	1,691
Pre-tax profit	454	485

حکومت العراق

Our management structure is now as follows:

Directors

Harry V. Keefe, Jr. **Chairman & CEO**

Gene F. Bruyette **Vice Chairman**

Charles H. Lott **President**

Gordon W. Shand **Executive Vice President**

Sally A. Stowe **Executive Vice President & Secretary**

Management Committee

Directors as listed above, plus:

Joseph J. Berry **Senior Vice President Equity Sales**

Daniel J. Byrne **Senior Vice President Bank Stock Trading**

C. Edward McConnell **Senior Vice President—Banking Research**

Michael C. Connor **Senior Vice President Corporate Finance**

John R. DeMarco **Treasurer**

Keefe Management Services, Inc.

Charles H. Lott **President**

Ronald A. Wittreich **Vice President Bank Information Services**

Abraham Bettinger **Senior Vice President**

John G. Duffy **Vice President Bank Watch™**

KEEFE, BRUYETTE & WOODS, INC.

Banking Industry Specialists

Member New York and other Principal Stock Exchanges

NEW YORK HARTFORD

H. UPMANN



Havana's favourite Havana since 1844.

Sole Importers: 10 Snow Hill, London EC1A 2EB.

Vanadium boost for Poland
 21% advan by Barclays National



Some bankers think Bank of America can be their correspondent only in the U.S.A.

Actually, we provide correspondent bank services at our own offices in over 85 countries.

In Asia, we have 28 branches in 14 countries from Japan to India; in South and Central America, it's 44 branches from Argentina to Guatemala; and we cover Europe and the Middle East with 29 branches in 17 countries from Ireland to Pakistan. Plus affiliates, subsidiaries and representative offices in many more countries.

When you do need a United States correspondent, we have superb credentials, with specialized international units in San Francisco, Los Angeles, Chicago, Houston, Miami, and particularly New York. Bank of America New York (BANY) handles so much international business that, based on deposits, it would rank as one of the 30 largest banks in the United States.

Dealing with us, you don't need a different correspondent for each country.

Bank of America can give you the world. Bank of America's global network of offices can provide a broad range of correspondent services: from import-export financing to foreign exchange trading, special-purpose loans in local currency, letters of credit, collections, and more.

BANK OF AMERICA

Think what we can do for you.

UK COMPANY NEWS

Companies and Markets

Capper-Neill falls 9% to £2.05m at halfway

WITH AN estimated loss of profits of £300,000 attributable to the engineering strike, pre-tax surplus of Capper-Neill, the site construction engineering group, fell by 9 per cent from £2.35m to £2.05m in the half-year ended September 30, 1979. Turnover, however, rose by £5.5m to \$46.8m.

The directors state that activity is increasing throughout most of the group's companies and they expect that second-half profits will show a considerable improvement on the first six months.

For the year ended March 31, 1979, the group achieved a record £5.5m pre-tax profit, on sales of £80m, of which £31m was exported.

The net interim dividend is increased from 1.175p to 2.1p per 10p share and it is expected that a similar final will be recommended, making a net total of 4.2p (3.1825p) equivalent to 6p gross.

The group's major activity, site construction engineering, continued to do well in the UK and overseas. Present overseas contracts are progressing satisfactorily and more than £12m worth of orders have been received in the last three months.

Manufacturing, which forms a decreasing proportion of the group's expanding work load, suffered a sharp decline in its performance during the half-year, due mainly to the engineering strike coupled with fierce over-

seas competition, high interest rates and cost pressures in the UK. Interest charges for the period rose from £304,000 to £441,000. Tax took £1.15m (£1.23m) and the interim dividend cost was up from £271,000 to £205,000.

comment
Capper-Neill is one of the first companies to report on the effects of the engineering dispute and the upshot of a 9 per cent interim pre-tax profit slide. That takes in a £300,000 loss of profit as a direct result of the strike and is also understood to include a similar above the line cost of reorganisation in the chemical pump and industrial refrigeration operations. Manufacturing has stumbled badly and the group admits that it has "certain problems" in the industrial division. Nevertheless, the shares climbed 3p yesterday to 52p and confirmation of the previously intimated 6p gross annual dividend—which should be covered one and half times on a current cost basis—plays no small part in the share advance. The yield is 12 per cent. The second half of the year is confidently expected to be better than the first but, with interest rates and world competition remaining at a high level it is difficult to say whether Capper can beat the level of profit achieved in the second six months of 1978-79. Final profits taken on the Kenana project could make a substantial differ-

British Dredging in loss but year's prospects good

LOSSES in the engineering division and bad weather in the first quarter have left British Dredging with pre-tax losses of £195,000 for the six months ended June 30, 1979, compared with £94,000 profit. Turnover fell from £5.04m to £4.97m.

Bradford Property progress

Profit, before tax, of Bradford Property Trust, improved from £2.4m to £2.45m in the half year ended October 5, 1979. Net profit came through at £1.21m against £1.17m and earnings per 25p share are stated at 5.11p against 5.07p.

Rental income, excluding rates, for the half year amounted to £1.46m (£1.58m) and sales by dealing companies totalled £3.78m compared with £3.37m.

On a per share basis the surplus from property rentals of £872,150 (£716,798) was 1.7p (1.49p) after tax and preference dividend.

The interim dividend is effectively increased from 1.27p to 1.67p—the total for 1978-79 was equal to 3.17p paid from pre-tax profits of £4.67m.

However, Mr. E. J. H. Clark, chairman, says that prospects for the full year are good; losses by British Dredging (Sand and Gravel), "will be recovered by the year end."

Scoteros on way to £2m

PROFITS, BEFORE tax, of Scoteros surged to £263,000 in the six months to September 30, 1979, compared with £231,000 last year. Sales increased from £13.94m to £16.23m.

On the basis of current trading, the directors expect second-half profits to be comparable to those now reported. For the whole of last year, the surplus reached a record £1.46m.

Investment is continuing in new plant and machinery to increase the range of products available, and also to maintain price competitiveness through improved efficiency, the directors add.

The net interim dividend is stepped up from 0.065p to 1.39p—last year's final was 2.71p. After tax of £205,000 (£25,000)—SSAP 15 has been adopted and comparisons restated—earnings per 25p share are shown to have risen from 4.06p to 6.43p.

THE IMPERIAL GOLD STORAGE AND SUPPLY COMPANY LIMITED

(Incorporated in the Republic of South Africa)
INTERIM REPORT 1979

The unaudited results of the group for the six months ended 31 August 1979 were as follows:—

	6 months ended 31 August 1979	1978
Group profit before tax	7 670	8 000
Tax	3 462	2 928
Group profit after tax	4 208	3 368
Profit attributable to outside shareholders	949	707
Profit attributable to Shareholders of The Imperial Gold Storage and Supply Company Ltd.	3 259	2 661

The figures for the corresponding period in 1978 have been restated to exclude dividends from unlisted investments for the reason that the dates of receipt of such dividends vary from year to year, thus affecting the comparability of interim results. Such dividends will be brought to account in the results for the full year.

As the income of the holding company consists mainly of interest and dividends derived from subsidiary companies separate figures are not given for the holding company.

The results for the half year can be regarded as satisfactory when regard is had to the effect of the steep rise in operating costs especially those resulting from the rise in fuel prices. The group's business being seasonal, the results for the period under review are not necessarily an indication of the trend for the year.

As indicated in the chairman's statement in the company's last annual report further steps have been taken to improve staff pension benefits and appropriate transfers have been made towards the funding thereof.

CAPITAL COMMITMENTS
The aggregate of capital commitments authorised by the directors amounts to R13 303 000 (1978—R16 509 000) of which R3 952 000 (1978—R9 216 000) had been contracted for as at 31 August 1979.

DIVIDENDS
An interim dividend of 4 cents (1978—3.5c) per share has been declared on the company's ordinary shares, payable on 14 December 1979 to shareholders registered on 23 November 1979.

W. H. Neate Chairman
J. M. Liebenberg Executive Director

Pretoria
2 November 1979

DECLARATION OF INTERIM DIVIDEND No. 89 ON ORDINARY SHARES

Notice is hereby given that an interim dividend of 4 (four) cents per share (1978—3.5 cents) has been declared on the company's ordinary shares, payable to shareholders registered at the close of business on 23 November 1979. Dividend warrants will be posted on or about 14 December 1979.

The dividend is declared in the currency of the Republic of South Africa and dividends payable from the office of the company's London Transfer Secretaries will be paid in United Kingdom currency at the rate of exchange ruling on 24 November 1979. The effective rate of non-resident shareholders' tax where applicable is 13.575 per cent.

The ordinary share registers of the company will be closed from 24 November 1979 to 7 December 1979, both dates inclusive.

DECLARATION OF INTERIM DIVIDEND No. 81 ON PREFERENCE SHARES

Notice is hereby given that an interim dividend of 2 1/2 per cent (two and three quarter per cent) has been declared on the company's preference shares, payable to shareholders registered at the close of business on 30 November 1979. Dividend warrants will be posted on or about 20 December 1979.

The dividend is declared in the currency of the Republic of South Africa and dividends payable from the office of the company's London Transfer Secretaries will be paid in United Kingdom currency at the rate of exchange ruling on 1 December 1979. The effective rate of non-resident shareholders' tax where applicable is 13.575 per cent.

The preference share registers of the company will be closed from 1 December 1979 to 14 December 1979, both dates inclusive.

By Order of the Board
J. P. Ensin Secretary

2 November 1979

Registered Address: 171 Jacob Mare Street, Pretoria

Transfer Secretaries: Consolidated Share Registrars Limited, Libertas, 62 Marshall Street, Johannesburg

Charter Consolidated Services Limited, Charter House, Park Street, Ashford, Kent, TN24 8EQ.

EUROPEAN OPTIONS EXCHANGE

Series	Vol.	Jan.	Last	Vol.	April	Last	Vol.	July	Last	Stock
AKZ C	F.25	10	0.70	5	2.70	74	2			F.85.40
AKZ O	F.27.50	10	0.70	1	1.50	10	1.40			"
AKZ C	F.30	50	0.20	9	0.80	10				"
AKZ O	F.32.50	50	0.10	4						"
AKZ P	F.27.50	84	2							"
AKZ C	F.30	2	6.50							"
AKZ O	F.32.50	2	9							F.224
HO C	F.25	2		20	2.40	17				F.25.10
HO O	F.27.50	2		50	1.20	12				"
ISM C	F.25	2	2 1/2							86 1/2
ISM O	F.27.50	2								"
KLM C	F.80	13	1.90	20	5.80	49	5.40			F.74.60
KLM O	F.80	250	0.80	8	1.80	11	3.50			"
KLM C	F.100	25	0.20	21	0.70					"
KLM O	F.110	40	0.10							"
KLM P	F.80	262	6	18	5.90	15	6.60			"
KLM C	F.90	31	14.50	15	14.50					"
KLM O	F.100	39	24.20	10	22.80					"
KLM P	F.120	2	24.50							"
NN C	F.100	19	3.80	1	7.80					F.115.90
NN O	F.110	76	1.90	35	4					"
NET C	F.120	10	0.80	14	2.50					"
NET O	F.130	1		1	4.00					Fr.5250
PET C	Fr.6000	2	100							"
PET O	Fr.6200	2	2.10							F.1.50
PHI C	Fr.2.60	200	0.50	51	1	74	1.30			"
PHI O	Fr.2.80	41	0.20	95	0.40	1.70	0.80			"
PHI C	F.25	167	1.40	10	1.20	52	1.80			"
PHI O	F.26	2	2.60							"
PRD C	525	1	2 1/2							528 1/2
PRD O	550	4	6							"
PRA C	F.280	2	6							F.260.10
PRA O	F.300	110	9.50							F.149.20
RD C	F.145	13	6.60	20	2.40					"
RD O	F.160	490	3.70	42	7					"
RD C	F.160	497	1.50	60	3.90					"
RD O	F.170	189	1.20							"
RD P	F.145	147	2.50	32	2.90					"
RD C	F.160	207	3.50	54	2.50					"
RD O	F.180	50	13.60	69	5					"
UNI C	F.125						3.20			F.115.70
UNI O	285									557 1/2
XOC C	560	10	1 1/2							"
XOC O	570	8								562 1/2
BAZ C	945	Nov.		Feb.		May				514 1/2
ALY C	980		10	9 1/2		1				586 1/2
GM C	550	Dec.		March		6 1/2				556 1/2
TOTAL VOLUME IN CONTRACTS										4297

Hotels boost for Epicure

In the current year, a return to profitability from hotel operations of Epicure Holdings is anticipated by Mr. R. J. Brealey, the chairman, in his annual statement.

Planning permission has been granted for improvements to the White Hart Hotel, Lincoln, and the Board intends to maintain and, where suitable opportunities arise, increase its investment in hotels.

For the year ended June 30, 1979, the hotels and associated services side incurred a £27,000 loss (£98,000 profit), although group pre-tax profits jumped from £141,000 to £495,000, on turnover of £6.91m (£3.49m).

Other activities comprising construction, and property investment and financial services. Considerable progress has been achieved from the group's policy of realisation and rationalisation, which started during 1977/78.

A professional valuation of group properties as at December 31, 1978, resulted in a surplus of some £1.05m over book value, which has not been incorporated in the accounts.

The balance sheet includes at cost some 220 acres of industrial and residential development land, but the Board believes the realisable value of this land to be considerably higher.

Meeting, Winchester House, EC, November 22, noon.

This Advertisement complies with the requirements of the Council of The Stock Exchange in London.



Co-operative Bank Limited

(Incorporated in England under the Companies Acts 1948 to 1967)

U.S. \$ 25,000,000

Floating Rate Capital Notes 1986

The following have agreed to subscribe or procure subscribers for the Notes:—

- London & Continental Bankers Limited
- S. G. Warburg & Co. Ltd.
- Caisse Nationale de Crédit Agricole
- DG BANK
- Deutsche Genossenschaftsbank
- European Banking Company Limited
- First Chicago Limited

The 25,000 Bonds of U.S. \$1,000 each constituting the above issue have been admitted to the Official List of The Stock Exchange in London subject to the issue of the Notes.

Particulars of the Notes and of Co-operative Bank Limited are available in the statistical services of Extel Statistical Services Limited and may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 20th November, 1979 from:—

Pember & Boyle,
30 Finsbury Circus,
London EC2P 2HB
and
The Stock Exchange

New Issue October 1979

All these bonds having been sold, this announcement appears as a matter of record only.

Industrialization Fund of Finland Ltd.

DM 10,000,000

7 3/8% Bonds due 1987
—Private Placement—

WESTDEUTSCHE LANDESBANK
GIROZENTRALE

BANQUE BRUXELLES
LAMBERT S.A.

POSTIPANKKI

THE NEW THROMMORTON TRUST LTD.
Capital Loan Stock Valuation—
November 6th, 1979
The Net Asset Value per £1 of Capital Loan Stock is 166.44p calculated on Formula 2
Securities valued at middle market prices.

SURVEYORS TO INDUSTRY
Lettings • Sales • Acquisitions
Development Appraisals & Funding
Rent Reviews • Valuations • Rating

Herring Son & Dav
Chartered Surveyors
24/28 Sackville Street
London W1X 2QJ
01-734 8155

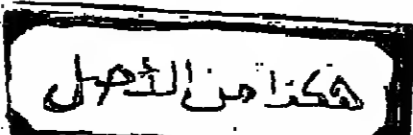
Export Finance
—Without Recourse—
Contact: David Rippon at
Arbutnot Export Services Limited

37 Queen Street,
London EC4R 1BY.
Tel: 01-236-5281
Tlx: 386680

Specialists in financing export of capital plant and machinery worldwide.

Have you ever wished you could regain your perspective?

THE TIMES
Back soon, to keep you better informed.
But be sure to re-order your daily copy.



Financial Times
Avery
stater
STAR L
IN S
Nederk
Stafford
Holding
Dividend
Year to 30 June
Turnover up
£12,091,000
Exports up
£3,660,000
Pre-tax profit
£1,239,000
Dividends up
to 5p per share
Current p
Total external sale
of the current
year increased by
£10m during
1979.
However, however
company condi
tioned markets test
able pressure
and advantage is
waiting opportunity
company's rec

BIDS AND DEALS

Averys to make profit statement next week

Shareholders in Averys, the weighing machine company which is fighting hard to ward off General Electric Company's £90m bid, have been promised a forecast of higher dividends and a statement on the full year's prospects.

Averys said yesterday that despite delays in the availability of information due to the recent engineering dispute, it would make the statement after a Board meeting on November 13.

In the middle of last month, Averys said a profits forecast was both unnecessary and difficult because of the dispute. At the half-way stage, it showed a pre-tax advance from £6.1m to £7.2m. Last year's dividend was a net 8.85p compared with 5.87p, and it is paying a 4p interim this year after 2.15p last year.

Mr. Richard Hale, the Averys chairman, said the dividend for 1979 is likely to be above the 12p that most people seem to be expecting. As for the statement on profits, "we think it will be encouraging," he added. He said the fall in the market was a factor behind Averys' statement yesterday, though "we've no reason to think that people are wavering at the moment."

EAGLE STAR LIFTS STAKE IN SUNLEY
Eagle Star Holdings has added another 355,000 shares to its 33 per cent stake in Bernard Sunley Investment Trust, the property and construction company.

The move follows its near £100m bid for Sunley announced last Friday.
Eagle Star acquired its additional 2.2 per cent stake by buying 250,000 shares at 61.5p and 105,000 shares at 59.5p per share. The total consideration is £2.17m.

CORAL LEISURE
Northern Trust Company has acquired 155,000 shares in Coral Leisure Group, representing 0.2 per cent of the equity. Mr. Trevor Hemmings, a director of Coral, has a controlling interest in Northern Trust.

WINCHESTER IST.
Acceptances of the offer for shares in Winchester London

Trust not already owned by Mr. J. Gardner and Mr. M. Fisher have been received in respect of 1,736,165 shares (64.1 per cent). They now control 1,792,865 shares (64.63 per cent). The offer is unconditional and remains open until November 30.

Yule Catto has 12.9% of Gas and Oil

Yule Catto has acquired 813,800 ordinary shares in Gas and Oil Acrossa at 210p each. The acquisition represents 12.9 per cent of the present capital of Gas and Oil. The total consideration, including expenses of the transaction, amounts to £1.74m and will be met from Yule Catto's existing resources. Gas and Oil Acrossa has a 23 per cent direct working interest in the British sector of the North Sea and a 24 per cent net production interest in that part of the Buchan Oil Field in Block 21/1. It also has a 5 per cent direct working interest in that block outside the field area, together with a number of other exploration interests in the British and Dutch sectors. The Buchan Field is scheduled to start production early in 1980.

Yule Catto said yesterday that the investment will be financed from its own existing liquid funds arising from the sale in 1978 of a 35 per cent holding in its rubber and oil palm plantations to Malaysian interests. It regarded its latest move as an excellent opportunity to invest in natural resources with good growth potential.

SHARE STAKES
Duple International—W. S. Yeates has bought 325,000 Ordinary shares, bringing its total holding to 4,741,666 shares (11.93 per cent).

Binemel Brothers—M. Y. Dart is now the beneficial holder of 295,000 Ordinary (12.97 per cent).

Almat London Properties—Kuwait Investment Office has acquired an interest in 75,000 Ordinary, making holdings 2,950,000.

Delson—Mr. R. Cashmore is now interested in 5.04 per cent (126,000) of the Ordinary share capital.

Arrow Chemical Holdings—Mr. K. Farrow, director, has disposed of 100,000 Ordinary. Mr. W. S. Lawson, director, has disposed of 96,000 Ordinary. Mr. G. P. C. Howard, director, has disposed of 127,533 ordinary.

Habit Precision Engineering—Mr. W. Johnston, director, has disposed of 30,000 Ordinary, reducing holding to 50,000.

A. C. Stanley Holdings—Benger, Janson and Nicholson has purchased 10,000 ordinary shares, bringing its total holding to 2,981,257.

Colonial Securities Trust—Cornhill Insurance now holds 220,000 deferred stock units (8.77 per cent).

Francis Industries—Mr. D. M. Saunders, director, has acquired 20,000 new ordinary shares.

F. and C. Eurotrust—Scottish United Investors has acquired 155,000 ordinary shares bringing total holding to 845,000 (11.27 per cent).

Cosalt—Mr. J. Carl Ross, chairman, acquired 17,018 shares.

DELTA DEAL WITH MCKECHNIE
Delta Metal Company announces that McKechnie Brothers has bought its 30 per cent stake in the equity of Harrison Beacon for £225,000, giving it full ownership.

Harrison Beacon, formed as a joint marketing and distributing company for McKechnie and Delta, sells curtain tracks and hardware and home improvement products.

Delta sold its stake because the company's products no longer fitted in with its main interests.

D. DIXON-MONTFORT
The documents relating to the offer by David Dixon and Son Holdings for Montfort (Knitting Mills) have been posted to shareholders.

The meeting of Dixon shareholders to approve the acquisition has been convened for November 22, 1979. Acceptances under the offer should be received not later than November 27.

Allied London ahead to £1.2m

TAXABLE PROFITS of Allied London Properties, the property investment group, increased from £1.07m to £1.23m in the year to June 30, 1979, on higher turnover of £7.73m, against £6.51m. At midway, the surplus was up at £521,379 (£489,530), and the directors expected the full-year profit to be ahead of last time.

The net total dividend is held at 2.06458p, with a final of 1.65732p. After tax of £506,267 (£209,523), stated earnings per 10p share are down from 7.49p to 6.19p.

Scottish National increases

REVENUE of Scottish National Trust Company rose from £1.44m to £1.7m in the year to September 30, 1979, after tax of £922,154, against £816,074. Gross revenue was up from £3.2m to £3.5m. The net total dividend is lifted from 3.9p to 4.66p, with a final of 3.05p. There is also a special payment of 0.6879p from the total special deferred dividend received from Shell.

Stated earnings per 25p share are 5.18p (4.34p). Net asset value is 216.2p (215.8p). Retained balance came through at £167,843, against £140,287.

Sidney Banks faces keen competition

Although difficult to produce results equal to the record £711,000 of 1978-79 Lord Godber, chairman of Sidney C. Banks, the grain merchant and seed specialist, looks to the future with confidence.

He says that the results of the cereal harvest in the group's trading area show that yields will be below those of last year. The quality of grain is good as

it is throughout the UK and Europe. Competition is therefore very keen.

The chairman says that the investment in new storage facilities during the year was fully justified and the income from the drying and storage division was well over that of previous years. This was due to stores remaining full longer than usual.

At the year end stocks were up from £2.52m to £2.99m and together with increased debtors of £5.15m against £3.98m, resulted in a large increase in the overdraft from £0.56m to £1.69m. However, following the harvest the overdraft has been reduced significantly.

Lord Godber reports that the seed corn division has again had a successful year with volume increased on a slightly reduced margin.

Chemical and fertiliser margins were again fiercely competitive but in both cases volumes were substantially increased and the new bulk "Delivered and Spread" fertiliser service had a much more satisfactory year.

The very late spraying season meant that a large amount of chemical sales usually made in May were deferred until June, a factor which also contributed to the high overdraft.

BET Omnibus improves at midway

Taxable profits of BET Omnibus Services rose from £4.17m to £4.69m in the six months to September 30, 1979, after higher interest charges of £1.33m against £810,000.

Turnover went ahead from £19.25m to £24.82m and there is an increased tax charge of £2.36m (£1.59m).

The company, which is engaged in plant hire, transport, open cast mining and engineering, is 99.27 per cent owned by British Electric Traction.

مكازم النحل

Ductile Steels LIMITED

"Improvement in earnings and higher dividend"



R. Sidaway (Chairman)

- The following are salient points from the Chairman's circulated Statement.
- * The profit cannot be regarded as unsatisfactory having regard to the difficulties we have suffered in common with many other companies in our industry.
 - * By improvisation and the full co-operation of our workforce we have been able to recover part of the losses caused by the motor industry and road haulage strikes but of course our results would have been much better without this dislocation.
 - * Your directors are increasing the dividend for the year by over 23% and hope that our future results will enable us to continue a progressive dividend policy.
 - * I believe that under the present Government sanity will ultimately prevail throughout industry and your company will be able to return to the growth pattern it has enjoyed until so recently. We are ready with up-to-date plant and buildings, increased capacity and a skilled and co-operative workforce to make the improved profits which I know our efforts deserve.

Year ended 30th June	1979	1978
Turnover	£75,086	£67,696
Profit before Taxation	4,710	5,109
Profit after Taxation	3,109	2,872
Earnings per Ordinary Share	24.16p	23.46p
Dividend per Ordinary Share	7.00p	5.4125p
Net Assets per Ordinary Share	232p	215p



Steel Re-Rollers and Stockholders, Steel Tube Manufacturers and Engineers. WILLENHALL - WEST MIDLANDS

OIL AND GAS NEWS

Nerlerk testing suspended

CANADA'S Dome Petroleum has suspended testing operations at the Nerlerk and Tarsit wells in the Beaufort Sea because of the onset of winter conditions but says that it regards the presence of oil in the Nerlerk well as highly significant.

Testing operations at both wells will resume in the 1980 season. Nerlerk was drilled to 16,207 feet and Tarsit to 14,537 feet.

At Nerlerk testing of two lower zones recovered non-commercial oil and water. Extensive oil-stained reservoir sand sections remain to be tested. At Tarsit two lower zones which exhibited oil staining were tested but because of mechanical difficulties these zones will be re-tested next year. In 1980 it is proposed to deepen Tarsit at least 1,000 feet below the existing total depth and thereafter resume production testing.

Four drillships are being used in Dome's Beaufort Sea operations. One is anchored at the newly dredged winter harbour site at McKinley Bay, while a second is en route to the same location.

The two other drillships will continue to conduct relatively shallow drilling operations, one at the Kopanoar 'steepout' well which is 2 1/2 miles from the Kopanoar M-13 oil discovery and the other at the Koakoak well 3 1/2 miles east of Kopanoar.

By commencing the Kopanoar steepout this season the company says it hopes to reach the potential oil productive interval during early August, 1980.

Two new wells drilled by Natomas outside the previously known production boundaries of the Selatan field in the south-east Sumatra contract area in the Java Sea of Indonesia have proved successful. They confirm sufficient reserves to begin development of a new platform—Selatan C.

Selatan C is the third platform in the Selatan field, and will be located approximately two miles southwest of Selatan A and one and a half miles west south west of Selatan B. Production is scheduled to begin in the third quarter of 1980.

The Selatan 12 well flowed at a cumulative rate of 857 barrels of oil per day and Selatan 4, an earlier well about three quarters of a mile from Selatan 12, flowed

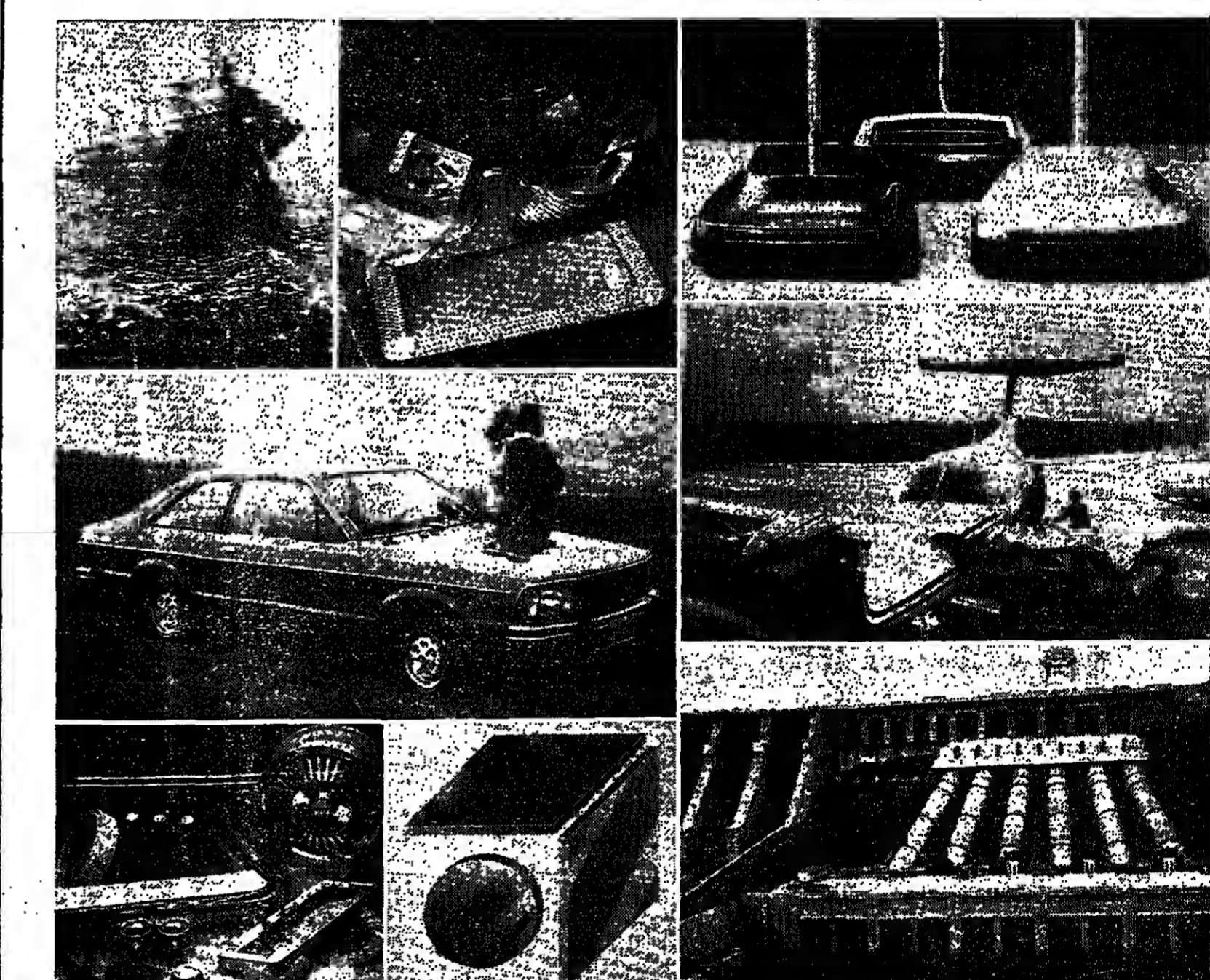
at a cumulative rate of 979 barrels of oil a day.

France's STE Nationale Elf-Aquitaine has been granted offshore exploration rights by Angola's state oil company Sonangol, according to ANGOP, the Angolan news agency.

The agreement announced by the Angolan Oil Ministry, would involve a \$41m investment by the French company over a three-year period. The concession covers an area of 4,000 square km and requires Elf-Aquitaine to undertake a seismic study and to drill 10 test wells.

Elf-Aquitaine will be the operating company and hold a 50 per cent interest but the group will include other foreign companies. The names of the partners, however, were not revealed. After costs have been recovered Sonangol will retain 15 per cent of the oil production in initial phases rising to 95 per cent later, ANGOP said.

Cities Service has signed a contract with Tunisia to explore a 180,377 acre offshore area. The company's initial commitment is to conduct a geophysical survey and drill one test oil well.



BUY QUALITY. BUY BRAZILIAN.

Brazilian industry has reached a high level of sophistication. Now you'll find the answer to your needs from an array of products made to high standards - in Brazil.

This concentration on quality perhaps accounts for the inroads made by Brazil into some of the most competitive markets in the world - United States, France, Germany, Canada, Japan, England, Switzerland, Italy, Sweden to mention a few.

Banco do Brasil can be your window to a wealth of Brazilian products, when you find yourself looking for value for money and quality. They are a fund of knowledge on products, credit and financing systems.

Follow the example of business people who prefer to import quality and import from Brazil. Just contact Mr. de Luna at 15-17 King Street, London EC2P 2NA tel: 01-606 7101, for further information and friendly advice.

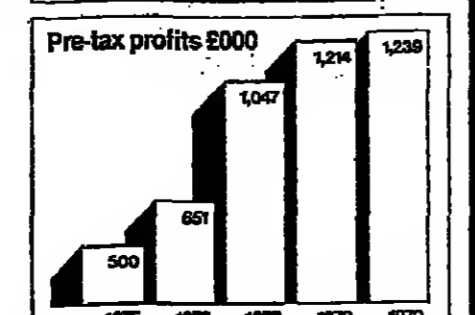
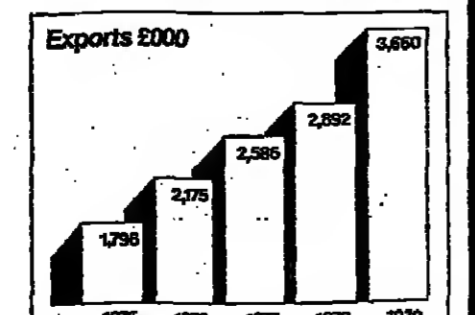
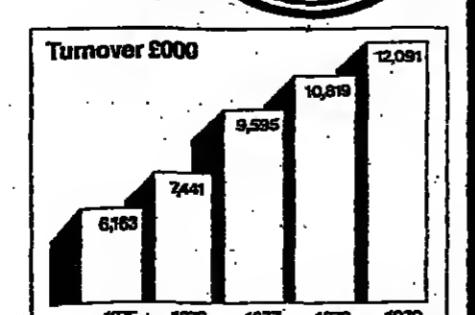


Staffordshire Potteries (Holdings) Limited



Dividends up 58%

- Year to 30 June 1979
- Turnover up 12% to £12,091,000
 - Exports up 27% to £3,660,000
 - Pre-tax profits up 2% to £1,239,000
 - Dividends up 58% to 5p per share.
 - Current position:



Total external sales for the first four months of the current financial year have increased by 12%, compared with sales during the same period in 1978.

Demand, however, reflects the recessionary conditions prevailing in world markets resulting in inevitable pressure on margins.

Full advantage is being taken of new marketing opportunities following the company's recent acquisitions.

Copies of the Report and Accounts are available from: The Secretary, Meir Park, Stoke-on-Trent, ST3 7AA

in loss
cts go
Scooters
on way
to £2m

limited

1986

Finance



ld

AFINANCIALTIMES SURVEY

FRANCHISING

NOVEMBER 28, 1979

The Financial Times is proposing to publish a Survey on Franchising. The provisional editorial synopsis is set out below:

INTRODUCTION A look at how the franchising system works and why it is one of the fastest-growing sections of the retail industry. The prospects for the industry in the 1980s.

WHY BECOME A FRANCHISEE? What are the personal attractions of franchising? A detailed look at the financial and business aspects for the franchisee.

FIRST-GENERATION FRANCHISES 85,000 "first-generation" franchise operations are at present being run in the United Kingdom, a look at how these have grown and their future developments in the 1980s.

SECOND-GENERATION FRANCHISES. The newer franchise operations—such as fast foods or cleaning services—and how they work.

FRANCHISING SECTORS IN DETAIL. A more detailed look at the companies and opportunities in franchising:

- (a) Foods — restaurants, take-aways, ice cream, etc.;
- (b) Automotive Services — rust proofing, car tuning;
- (c) Cleaning and Sanitation — drain-cleaning, carpet and vinyl cleaning;
- (d) Other Services — instant printing, retailing, hairdressing.

For further information and advertising rates please contact:

Francis Phillips

Financial Times, Bracken House
10 Cannon Street, London EC4P 4BY
Telephone: 01-248 4782
Telex: 885033 FINTIM G

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content, date and publication date of Surveys in the Financial Times are subject to change at the discretion of the Editor.

Bangkok feels Mr. Volcker's rigour

BY PHILIP BOWRING

THE RIPPLE effect of record U.S. interest rates has been quick to arrive in other parts of the world—not least in Thailand. Bangkok's distance from New York does not necessarily make the waves any smaller. Indeed, Mr. Paul Volcker, the chairman of the U.S. Federal Reserve, may have triggered off a credit crunch in Thailand before one hits the U.S. itself.

A squeeze could send the nervous stockmarket, which has already fallen by a third since its all time peak at the end of last year, crashing again. Several finance companies which are believed already shaky—a leading one, Raja Finance, collapsed earlier this year—would also be endangered. A squeeze could also severely curtail domestic investment at a time when confidence has been holding up remarkably well in the face of the war on Thailand's eastern border.

Modest

Officials of the Bank of Thailand, the central bank, are working hard on means to alleviate the situation. Billions of Baht have been pumped into the system in the past few weeks to offset severe contractionary influences on money supply. However, both institutional restraints and lingering worries about inflation limit such intervention.

Thailand's financial system badly needs an injection of dollars to fund both a continuing deficit in its current account, and a big exodus of short-term foreign funds which

has followed the U.S. rate hikes. There is a growing possibility that the Government, traditionally a very modest borrower on international commercial markets, may raise a large foreign loan both to help the balance of payments and to give it more room to manoeuvre in handling domestic liquidity problems.

Meanwhile the Government must face up to the issue which has made high U.S. interest rates from being a modest inconvenience to a major problem for Thailand. That is a long standing anti-usury law which prohibits the charging of interest above 15 per cent per annum.

Banks are now repaying or not renewing dollar borrowings because the cost of them now exceeds what can legally be charged. In addition to rates on new money of more than 15 per cent, banks, unless they can match forward positions internally, must pay around 1.5 per cent for forward cover against movements in the Baht/dollar rate.

Foreign banks and finance companies which are particularly reliant on the offshore market will soon be very badly squeezed as older borrowings mature. But even the big local banks, cushioned by the generous spreads between Baht deposit rates (a maximum 9 per cent) and lending rates are beginning to hurt.

Foreign banks and finance companies get some funds from the Baht interbank market but this is thin, already rates are up to 15 per cent. Finance companies can bid what they like

for funds and are attracting some big depositors with rates of 12-13 per cent or more. But there is very limited supply of such money. Meanwhile the squeeze is being further exacerbated as some prime companies are repaying direct dollar borrowings and taking cheaper Baht instead thus making it all the more difficult for non-prime names to get Baht at all.

No figures are yet available so it is difficult to tell the extent of dollar repayments, but the situation is likely to get worse before it gets better. In May, the Government, in order to step up capital inflow, granted a temporary waiver on the 10 per cent Withholding Tax normally charged on interest paid offshore. The waiver has been extended but next month will see the maturing of such six-month borrowing made when the tax was first lifted and in the new conditions much may not be rolled over.

New avenues

In the first six months of this year offshore interbank liabilities of commercial banks in Thailand rose by some 40 per cent to 34bn Baht, representing a short-term capital inflow during the period of \$500m (excluding finance companies for which figures are not available). The gross figure for offshore liabilities is believed to have peaked at over 40bn Baht (\$2bn) in September. How much has been repaid is not publicly known, but sources told the Financial Times that one

indicator was that commercial bank borrowings from the Bank of Thailand had risen 50 per cent to 15bn Baht in a matter of weeks.

There is a limit to the central bank's ability to provide credit through this loan window. Loans must be backed by Government securities. But because reserve ratios for banks are a low 7 per cent their holdings of securities are quite small. New avenues may be needed, in addition to a recently started repurchase market for Government securities. But even with improved mechanisms, the Government would be in a bind. It cannot afford to make the Baht too available without encouraging further dollar repayments which would drain foreign exchange reserves.

It remains to be seen whether the Government has the courage to tackle the interest ceiling and usury law problem. This is a particularly sensitive issue because of the recent big oil induced utility and other price rises that General Kriangsak Chomanan's none too sturdy Government has had to allow.

Banks in Thailand are widely regarded as being too big, powerful and profitable already. But the fact is that the main sufferers from the present situation are small businessmen who either cannot get credit at all, or must make under-the-counter payments to avoid the interest ceiling, or must rely on the unofficial "kerbside" money market where rates are now over 30 per cent.

Lifting the ceiling would

restore approximate equilibrium with rates on the dollar, the currency to which the Baht has been effectively pegged for the past 25 years. Higher cost credit would be a restraining factor on business, especially construction, but because returns on investment in Thailand are high the impact is unlikely to be as great as in more developed nations.

Ending the ceiling would also permit a rise in deposit rates. As a result of low rates, inflationary expectations and the trade deficit, bank deposits rose only 4 per cent in the first half of the year. But advances increased 13 per cent as business expansion continued and companies needed more working capital to meet higher prices.

Fast lending and slow deposit growth exacerbate a trend of declining liquidity which has been in progress for more than two years. The banks' loan to deposit ratio, which was 90 per cent in early 1977, reached 95 per cent a year later, 100 per cent by the beginning of this year, 108 per cent by June and is now understood to be about 117 per cent.

Tighter money was in part a deliberate Government policy to restrain inflation and reduce the balance of trade deficit which had begun to reach a troubling size. But it did not discourage overseas borrowing by banks which offset slow local deposit growth and the current account deficit. In 1978 overseas liabilities of banks rose by 10bn Baht making a major contribution to plugging the 24bn

Baht current account deficit. This year's current deficit is likely to be of similar size with the impact of the oil price rise being largely offset by better than expected prices for Thailand's agricultural exports.

Encouragement

The Government had been looking to the banks for a repeat rise in their foreign borrowing. Following the lifting of interest withholding tax, the top five commercial banks all made floating rate note issues on the Euro-market with official encouragement.

But until the interest rate problem is resolved, foreign funding will diminish rather than increase. The cost of forward cover precludes borrowing cheaper currencies like Deutsche-marks unless a way can be found of passing on the exchange risk to the borrower.

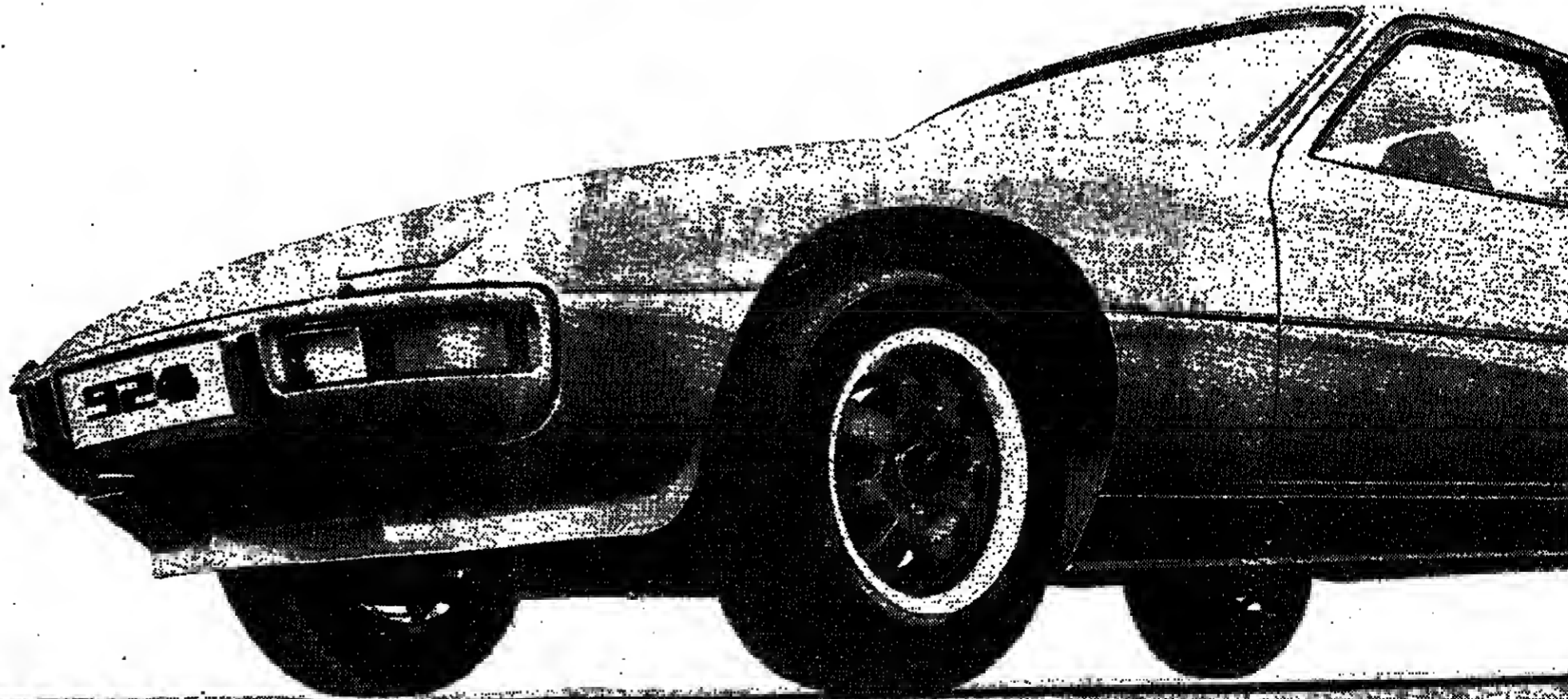
That again points to the possibility that the Government itself may have to play a larger role in lining up the international borrowings Thailand needs.

Overall, Thailand's present financial problems are more technical than fundamental. Many developed as well as developing nations would envy its low debt service ratio, the buoyant prices for its food commodities and the good name that years of innate conservatism have given to its government and banks. Mr. Volcker's measures are triggering more serious strains than the Thai financial system has known in years.

To save you money we designed a car that costs over £9,000.

The Porsche 924. With a top speed of 125 m.p.h. and acceleration to match, the 924 returns over 25 m.p.g. under normal driving conditions. And, when driven at a constant 56 m.p.h. you'll get 42.8 m.p.g. (More than the Fiat Strada 65CL) Service intervals are only once every 12,000 miles or annually. With overall servicing costs, less per mile than those of a Mini.* Yet, while saving you money, we, as the price suggests, spare no expense when building your car. We weld, bolt, screw, clip, join and fasten all components by hand. Fit the same seats, fuel injection and five speed gear pattern as in the latest Porsche 911SC. We use the same transaxle layout, with front mounted engine and transmission in the rear, as in our £22,000 Porsche 928. We build the car with double sided galvanised steel sheeting and give a 6 year Longlife warranty against corrosion. All of which means your Porsche 924 keeps its value come resale. In short, with the 924, we give you your money's worth. All £9,104 of it.

PORSCHE 924 SERIES



Porsche Cars Great Britain Limited, Richfield Avenue, Reading RG1 5PH. Telephone: 0734 595411. For Tourist, NATO, Diplomat and Personal Export enquiries Tel: 01-569 1313. The present Porsche line up consists of ten models: the four cylinder 924 Series from £9,104; the six cylinder 911 Series from £11,000 and the eight cylinder 928 Series from £21,827. Prices, correct at time of going to press, exclude number plates and delivery. For further information and details of leasing facilities contact your nearest official Porsche Centre.

South East: APN Ltd, Iseworth, Tel: 01-560 1011. APN Ltd, Guildford, Tel: 0483 39448. Charles Follitt Ltd, Maffra, Tel: 01-629 6266. Malaya Garage Billingham Ltd, Billingham, Tel: 040 381 3341. Malin Car Concessionaires Ltd, Hanley-on-Thames, Tel: 04912 7811. Motorcars Ltd, Kensington, Tel: 01-581 1234. South West: Dick Lovett Specialist Cars Ltd, Wroughton, Tel: 0783 812367. Parkes Ltd, Exeter, Tel: 0392 77761. South: Heddell and Deeks Motors Ltd, Bourne, Tel: 0202 510292. West Midlands: Swinford Motors Continental Ltd, Bourneville, Tel: 0582 482 3047. East Midlands: Roger Clark Cars Ltd, Harborough, Tel: 0533 848270. Gordon Lamb Ltd, Chessell Field, Tel: 0246 45181. East Anglia and Essex: Lancaster Garage Colchester Ltd, Colchester, Tel: 0206 46141. Lancaster Garages Norwich Ltd, Norwich, Tel: 0603 401814. North West: Ian Anthony Sales Knutsford Ltd, Tel: 0565 52737. Parker and Partners Ltd, Kendal, Tel: 0533 24331. North East: JCT 800 Ltd, Leeds, Tel: 0532 508454. Gordon Ramsay Ltd, Newcastle upon Tyne, Tel: 0532 612591. South Wales: Howells Garage Cardiff Ltd, Cardiff, Tel: 0222 592363. Scotland: Glen Henderson Motors Burnside Ltd, Ayr, Tel: 0292 82727. Glen Henderson Motors Ltd, Glasgow, Tel: 041 4451155. Glen Henderson Motors Ltd, Edinburgh, Tel: 031 225 9226. Northern Ireland: Isaac Agnew Ltd, Retail (Glasgow), Tel: 021 7111. Isaac Agnew Ltd, Belfast, Tel: 0232 668291. Channel Islands: James Garaga, St. Savoir, Jersey, Tel: 0534 26156.

*Autocar 5th May 1979. 100% test. Simulated urban driving 22.5mpg. Constant speed 56mpg 42.8mpg. Constant speed 75mpg 34.8mpg. Metro equivalent. Simulated urban driving 124L/100km. Constant speed 80km/h 65L/100km. Constant speed 120km/h 8.3L/100km.

The January 1980 issue of

THE BANKER

will include

'THE PROSPECTS FOR THE EUROMARKETS IN 1980'

- ★ How will the Euro-markets settle down after the upheavals of 79.
- ★ How to make rescheduling more efficient.
- ★ The British banks in the Euro-Currencies, Credits & Bond markets after UK exchange controls abolition.
- ★ The rapid growth of the Euro-DM markets.
- ★ The American banks abroad.
- ★ Who are the leading banks in the Euro-Currencies, Credits & Bond markets.

For full information about advertising and the details of the editorial content, contact Robert Piper or Christina Yeo at:

THE BANKER,
Minster House, Arthur Street, London EC4R 9AX.
01-623 1211 Telex 8814734

BASE LENDING RATES

A.B.N. Bank	14%	Hill Samuel	14%
Allied Irish Bank	14%	C. Hoare & Co.	14%
Amro Bank	14%	Julian S. Hodge	15%
American Express Bk.	14%	Hongkong & Shanghai	14%
A.P. Bank Ltd.	14%	Industrial Bk. of Scot.	14%
Henry Anshacher	14%	Keyser Ullmann	14%
Associates Cap. Corp.	14%	Knowles & Co. Ltd.	15 1/2%
Banco de Bilbao	14%	Lloyds Bank	14%
Bank of Credit & Commerce	14%	London Mercantile	14%
Bank of Cyprus	14%	Edward Manson & Co.	15%
Bank of N.S.W.	14%	Midland Bank	14%
Banque de Belge Ltd.	14%	Samuel Montagu	14%
Banque de Rhone et de la Tamise S.A.	14%	Morgan Grenfell	14%
Barclays Bank	14%	National Westminster	14%
Bremer Holdings Ltd.	15%	Norwich General Trust	14%
Brit. Bank of Mid. East	14%	P. S. Refson & Co.	14%
Brown Shipley	14%	Rosminster	14%
Canada Perm't Trust	15%	Ryl. Bk. Canada (Ldn.)	14%
Cayzer Ltd.	14%	Schlesinger Limited	15%
Cedar Holdings	14%	E. S. Schwab	15%
Charterhouse Japbet	14%	Security Trust Co. Ltd.	15%
Chouartons	14%	Shenley Trust	16%
C. E. Coates	14%	Standard Chartered	14%
Consolidated Credits	14%	Trade Dev. Bank	14%
Co-operative Bank	14%	Trustee Savings Bank	14%
Corinthian Secs.	14%	Twentieth Century Bk.	15%
The Cyprus Popular Bk.	14%	United Bank of Kuwait	14%
Duncan Lawrie	14%	Whiteaway Laidlaw	14%
Egali Trust	14%	Williams & Glyn's	14%
E. F. Trust Limited	14%	Yorkshire Bank	14%
First Nat. Fin. Corp.	15 1/2%	Members of the Accepting Houses Committee.	
First Nat. Secs. Ltd.	15 1/2%	7-day deposits 11 1/2%, 1-month deposits 11 3/4%.	
Antony Gibbs	14%	7-day deposits on sums of £10,000 and under 11 1/2%, up to £25,000 12%, and over £25,000 12 1/2%.	
Greyhound Guaranty	14%	Call deposits over £1,000 11 1/2%.	
Grindlays Bank	14%	Demand deposits 11 1/2%.	
Guinness Mabon	14%		
Hambro Bank	14%		



COULD YOUR BANK MANAGER HELP YOU HAND OVER YOUR BUSINESS WITHOUT MOST OF IT GOING TO THE TAX MAN?

Sooner or later, everyone owning a business comes up against the problem of Capital Transfer Tax.

Which can mean that, if you're planning to hand your business over to your children or others, you can end up handing a lot of capital over to the Inland Revenue. You could even have trouble keeping the business going.

Not, perhaps, exactly what you had in mind; but then again, not exactly the kind of thing you'd expect your bank manager to help you with.

After all, nobody asks tax experts to lend them money - so who goes to a bank manager with tax problems?

Well, if he's a Midland Bank manager, maybe

you should. Because you can expect the unexpected from the Midland. You see, your Midland manager has at his disposal a wide range of specialist advisers and services who can, between them, help to answer all sorts of business needs.

In this case, he could put you in touch with Midland Bank Group experts who could suggest a number of ways in which you can properly minimise your Capital Transfer Tax liability. So that your capital ends up where you want it.

Start thinking of your Midland manager and his team as the people to deal with your business needs. Because, thanks to teamwork, you can expect us to come up with solutions you'd never expect.

You can expect the unexpected from Midland teamwork



Midland Bank

Midland Bank Limited

هكذا من الذهب

Financial Times sidebar containing various news snippets and a financial table. Visible text includes: 'Curtiss in Kenn...', 'THOMSON', 'Minister', 'FT INTER', and a table with columns for 'Company', 'Share Price', and 'Change'.

NORTH AMERICAN NEWS

Curtiss-Wright lifts stake in Kennecott Copper

BY STEWART FLEMING IN NEW YORK

CURTIS-WRIGHT, the diversified manufacturer of aerospace and heavy process plant equipment, has lifted its stake in Kennecott Copper, the largest U.S. copper company, to 13.5 per cent.

Kennecott's earnings... The move could have a significant impact on Curtiss-Wright, for Kennecott has recently announced an improvement in profits.

CANADIAN NEWS

Thomson Newspapers ahead

BY ROBERT GIBBENS IN MONTREAL

THOMSON NEWSPAPERS, the North American newspaper group of the Thomson interests, earned C\$42.9m (U.S.\$46.17m) or 38 cents a share in the first nine months against C\$39m or 78 cents a share earlier on October 31.

continue favourably for the rest of 1979. So far this year the company has bought three daily newspapers, in Iowa, Kansas and California.

Minister proposes third airline

BY VICTOR MACKIE IN OTTAWA

AIR CANADA and CP Air should consider establishing a third jointly-owned airline to handle international traffic, Mr. Don Mazankowski, the Canadian Transport Minister, said on Monday in an address to the Air Transport Association of Canada.

as it is now doing with some other crown corporations. However, he said, individual Canadians might be permitted to buy shares in Air Canada.

Record profits at Lincoln National

By Our Financial Staff

RECORD EARNINGS for the third quarter of the year are reported by Lincoln National Corporation, the insurance holding company. Higher life-health insurance profits have more than offset a decline in the property casualty sector.

Foreign car sales jump as U.S. leaders struggle

BY IAN HARGREAVES IN NEW YORK

CAR IMPORTERS to the U.S. substantially increased their sales and market share last month at a time when the big domestic manufacturers saw their sales plummet.

The U.S. market last month compared with 1.2 per cent a year ago. General Motors' share is down from 51.1 per cent to 48.2 per cent and Chrysler's from 10.4 per cent to 7.3 per cent.

Steady growth at Emerson Electric

By Our Financial Staff

EMERSON ELECTRIC, the St. Louis-based manufacturer of electrical and electronic products, has maintained its steady growth rate.

Strong rise in Boeing earnings

BY OUR NEW YORK STAFF

BOEING, the world's largest producer of civil aircraft, is continuing its spectacular upward trend in earnings, which was virtually solid through 1981.

share to \$360.8m or \$5.63 a share. Sales increased \$2bn to \$5.8bn and Boeing is now forecasting \$8.2bn for the year.

Santa Fe to buy C.F. Braun for \$296m

By David Lascelles in New York

SANTA FE International, the California contract drilling and oil exploration group, is buying C. F. Braun, the chemical and energy plant construction company, for \$296m.

GK Technologies plans closures

BY OUR FINANCIAL STAFF

GK TECHNOLOGIES, the U.S. wire and cable producer, announced yesterday that its General Cable division is to close three plants, resulting in a charge of \$10m against fourth quarter earnings.

factory, for \$29m last year, said that the cost of the closure would be partially offset by a gain of \$4.3m from the sale of General Cable's metal textile operations.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns: U.S. DOLLAR, Issued, Bid, Offer, day, week, Yield. Lists various international bonds like Alex-Adelphia, Australian, etc.

Columbia share deal in doubt

LOS ANGELES - Mr. Kirk Kirk Kerkorian, largest single shareholder in Columbia Pictures Industries, said yesterday that he had reached an understanding on Friday to sell his 2.43m shares of Columbia stock for \$50 a share, but a potential buyer may have changed his mind over the weekend.

Everywhere the Europcar Super Service

To get the Europcar Super Service, rent your car from Europcar. In Britain, as in Europe, Africa and the Middle East, Europcar everywhere gives you good cars and an organization you can rely on.

Schlesinger joins Lehman

NEW YORK - Lehman Brothers Kuhn Loeb has announced that Mr. James R. Schlesinger, the former U.S. Secretary of Energy, is joining the company as a senior adviser.

Tiger deal completed

Tiger International has completed its acquisition of 15 per cent of Hall's Motor Transit at an average price of \$20.82 per share, reports AP-DJ from Los Angeles.

Table with columns: STRAIGHTS, Issued, Bid, Offer, day, week, Yield. Lists various international bonds like Argentina, Brazil, etc.

Europcar rent a car advertisement featuring a woman and a car, with a list of countries where service is available.

Table with columns: YEN STRAIGHTS, Issued, Bid, Offer, day, week, Yield. Lists various international bonds like Australia, etc.

© The Financial Times Ltd., 1979. Reproduction in whole or in part in any form without written permission is prohibited. Data supplied by Inter-Bond Services (a subsidiary of dataSTREAM International).

Associated Japanese Bank (International) Limited



Extract from Audited Accounts.

	28th Feb. 1979	28th Feb. 1978
Share Capital	7,000	7,000
Retained Profit	5,480	4,279
Subordinated Loans (£ equivalent)	12,353	12,877
Deposits	423,473	407,506
Loans	240,388	238,780
Total Assets	458,622	439,423
Profit before Taxation	3,612	3,172
Profit after Taxation	1,621	1,434

Associated Japanese Bank (International) Limited

29-30 Cornhill, London EC3V 3QA
Telephone: 01-623 5661. Telex: 883661

Jointly owned by
The Sanwa Bank Ltd The Mitsui Bank Ltd
The Dai-ichi Kangyo Bank Ltd The Nomura Securities Co Ltd
(Shareholders' aggregate assets well exceeding U.S. \$170,000 million)

INTERNATIONAL COMPANIES and FINANCE

BANKING IN EUROPE

French plan to ease controls

By Terry Dodsworth in Paris

M. Rene Monory, the French Economics Minister, said yesterday that it was the Government's firm intention to phase out the present system of tight bank credit control limits as soon as possible.

M. Monory's remarks, made at a seminar organised by Expansion Magazine, underline his ambition to press ahead with the programme of bank reforms begun earlier this year.

The broad aim is to increase competition in the banking sector in line with the Government's general policy of industrial and commercial liberalisation.

The abolition of the ceilings on individual banks' credit growth would clearly be in line with this programme, but the Government is faced with the difficulty that it also wants to maintain a strict control over money supply growth.

M. Monory made it clear yesterday that the Government's policy of maintaining money supply growth slightly below the annual expansion in gross national product remains a central policy preoccupation.

The defence of the nation's money, he said, was essential in the fight to maintain equilibrium in France's balance of payments.

For this reason, the present system of credit control limits, which controls the annual increase in loans that any individual bank can make, will stay for the time being.

M. Monory added, however, that the system will have to be dismantled in time in favour of something more flexible.

Recession in Spain slows earnings

BY ROBERT GRAHAM IN MADRID

A STUDY just completed by the Bank of Spain starkly reveals the extent to which bank profits have been squeezed by two years of recession in Spain. According to the report, gross net profits of the banking system, including the savings banks, increased by only 1.2 per cent last year compared with 4.6 per cent in the previous year and 20 per cent in 1976.

In global terms, the commercial and industrial banks account for 65 per cent of gross profits of the system and the savings banks for the remainder. The decline in profitability has affected both groups similarly. Growth among the commercial and industrial

banks last year was 1 per cent against 1.7 per cent for the savings banks, whose profit has been higher in recent years.

The study shows that this results in relation to total resources have also declined. From the equivalent of 1.46 per cent of total resources employed in 1976, commercial and industrial banks now represent only 1.01 per cent. In the case of the savings banks the figure is down to 0.96 per cent. Despite increased operational efficiency the main items affecting profitability have been heavy extra financial costs through expensive credit, a sharp leap in personnel expenditure and the need to set aside large sums for

losses, bad debts and reserves. For the commercial and industrial banks financial costs have doubled in two years. Personnel costs rose last year by 25.6 per cent. In the case of the savings banks these costs rose 3 per cent. Personnel costs now represent a quarter of the total volume of business.

The study also reveals that the amount of banks set aside for doubtful debts and losses rose threefold last year, moving from Pts 8bn (\$120m) to Pts 28.6bn (\$453m). This was largely the result of Stricter Bank of Spain regulations.

Similar considerations are still affecting profits: Banco Popular, one of the big seven

commercial banks, saw personnel costs rise 20 per cent in the first nine months of 1979 with the amount set aside for doubtful debts up 30 per cent.

The leading industrial bank Banco Urquijo, believes that by having kept investments down and by careful cost savings, it can improve its profits this year. On the basis of the first nine months, 15 per cent growth is expected. Investments have been kept down to 5.4 per cent.

Banco Urquijo is moving more into commercial banking, opening eight new branches. This expansion is being achieved without adding to its existing payroll.

Swedish shipbuilder cuts loss

BY JOHN WALKER IN STOCKHOLM

A SHARP reduction in this year's loss is forecast by the Swedish State-owned shipbuilding group, Svenska Varv.

Excluding the figures for Kockums which came under the umbrella of the State company last year, Svenska Varv expects losses for 1979 to total SKr 625m. This, the company says, will represent a reduction on the loss for 1978 of around SKr 1.5bn.

After the first eight months of this year Svenska Varv's losses were running at SKr 391m. Including Kockums, the deficit for the eight months rises to SKr 717m while on the same basis the expected loss for the year increases to SKr 1.47bn.

If the improved trading conditions in the shipping industry

can be maintained a revaluation of customer receivables and ship holdings in connection with the preparation of the financial statements for the entire year will reduce the overall loss "by at least SKr 300m."

The expected improvement in the annual result results from increased freight rates and higher prices for second-hand ships as well as reductions in the losses generated by previous commitments. However, the group's new building activities continue to involve large losses, although these have also been reduced.

Involved sales, including Kockums, for the first eight months of this year, amounted to SKr 3.17bn and the forecast for 1979 is for total sales of SKr 5.60bn.

THE SWEDISH mining and metals group Boliden said in a report on the first nine months of this year that there has been a positive development in the sector. Gold and silver prices have boosted the company's performance, and an improved flow of orders has been noted for metals as well as chemicals.

Turnover rose during the January-September period to SKr 2,460m (\$498m), compared with SKr 2,068m in the corresponding period of 1978. The company's operating profit during the period under review came to SKr 199m (\$47m), compared with a loss of SKr 53m.

For the whole of 1979, profit after appropriations and costs will amount to about SKr 360m, Boliden said.

AEG in talks with Thomson-Brandt

By David White in Paris

THOMSON-BRANDT, the French electrical group, is engaged in exploratory talks with the financially troubled West German concern AEG-Telefunken, covering certain areas of common interest, the French company said.

The talks could lead to wider co-operation in television, after an agreement between the two companies in August, to pool their colour TV tube interests.

The French company denied, however, that it was discussing the acquisition of a stake in AEG-Telefunken's capital, which had been suggested by some brokers.

According to French electronics industry specialists, Thomson-Brandt is interested in heading off the Japanese Hitachi group from gaining a foothold through AEG-Telefunken.

Hitachi was known to be interested in the German company's TV tube operations, which have instead come under the indirect control of Thomson-Brandt.

The agreement between Thomson-Brandt and AEG in August, if approved, will leave the French company with 51 per cent control (with AEG holding the remainder) of a new holding venture which will in turn hold 58 per cent of the pooled colour tube operations of Thomson-Brandt and AEG-Telefunken.

The other 42 per cent of the tube production outfit, Videocolor, will be held by RCA of the U.S., which has up to now held 49 per cent in a two-sided joint venture with Thomson.

This agreement came shortly after the announcement of a co-operation pact between Philips of Holland and West Germany's Grundig.

The latest talks could herald a more far-reaching reorganisation of the European television industry, but the problem of the heavy losses being made by AEG-Telefunken in its consumer products operations has still to be overcome. The French group has already had to carry a big burden of costs in reorganising its West German subsidiary, Normande, of which it bought control two years ago.

Thomson-Brandt emphasised yesterday that it was so far only involved in exploratory discussions with AEG-Telefunken, and not fully fledged negotiations.

ERCOLE MARELLI-Adda, ERCOLE MARELLI, the Italian manufacturer of electrical equipment, has purchased a controlling interest in Adda from an offshoot of the Alsthom-Atlantique group, of France, reports AP-DJ from Milan.

The two companies have also signed an agreement providing for "extensive co-operation" in the technical and commercial fields.

Adda, based in Lodi, employs about 400 persons and makes high- and medium-tension electrical components for generators, railroad equipment and other industrial uses. It was previously controlled by Delle Alstom, an electric manufacturer and subsidiary of Alsthom-Atlantique.

Belgian bank makes steady progress

BY GILES MERRITT IN BRUSSELS

KREDIETBANK, THE third largest of the big three Belgian banks, has announced a further strong increase in its balance sheet for the first half of its financial year ending March 31.

The six months to September 30 resulted in a 15.9 per cent increase in the bank's balance sheet total compared with the same time last year. It reached Bfr 408.3bn (\$14bn), rising by almost 9 per cent over the level reached at the end of the 1978-79 financial year.

But while Kredietbank has described the first half as a satisfactory period, it warned that operating results during the second six months are likely to be adversely affected by accelerating inflation. Other factors giving rise to concern at Kredietbank are the increasing pressure on margins and adverse development on the Belgian and international money markets.

As the financial flag-carrier of Belgium's Flemish business community, Kredietbank has

recorded substantial progress in recent years. Its performance in topping the Bfr 400bn mark in its balance sheet follows a succession of steady increases. At the end of March 1977, the bank's balance sheet stood at Bfr 283bn.

Kredietbank said that the latest increase arose mainly from growth in term accounts and medium-term notes. The working funds at the bank's disposal now total Bfr 372.9bn, a rise of almost 17 per cent

Arbed joint venture aims overseas

BY ROGER BOYES IN BONN

PHB-WESERHUTTE, the major European raw materials handling and processing company created recently through a merger in West Germany, will be looking for overseas acquisitions from early next year, according to senior company executives.

The company is the result of a marriage between Pohl-Heckel-Bliechert (PHB), the German subsidiary of Arbed, the Luxembourg steel group, and Weserhutte, a subsidiary of Otto Wolff, the German steel and chemicals trading concern.

PHB-Weserhutte will become operational from January 1, provided that neither the West German Federal Cartel Office nor the European Commission raise objections.

Herr Otto Wolff von Amerongen, the head of the Otto Wolff group and supervisory board chairman of the new company, emphasised that the merger was not a "defensive measure" and that both PHB and Weserhutte were extremely healthy.

PHB-Weserhutte would consequently be expanding almost immediately, especially overseas. "It's a classic case of one and one making three," he said.

Company executives indicated that PHB-Weserhutte would be particularly interested in penetrating the U.S. market further, although initial approaches would be on the basis of collaborating on know-how. Elsewhere, however, direct investment is seen as the most favourable course and at least 70 per cent of the new company's business is expected to be abroad.

Weserhutte has interests in Australia, the U.S., South Africa and India, while PHB has tended in the past to concentrate on Latin America — it has a large Brazilian subsidiary — and French-speaking Third World countries.

Company executives expressed concern that some of the more highly developed Third World countries were turning to protectionist measures — another powerful reason for directly investing in manufacturing capacity abroad.

The new company — turnover is expected to be more than DM 700m (\$391m) — is intended to meet the growing demand for open cast mining equipment — as well as equipment for conveying, handling, stock-piling and processing bulk materials.

Surplus raised at Irish Bank

By Our Financial Staff

AN INCREASE of an eighth in profits for the six months ended September is reported by the Bank of Ireland. Pre-tax, earnings have risen to Ir£23.4m from Ir£20.8m.

The bank said the profit was after providing Ir£2.4m, being half the special additional payment to staff in respect of the European Monetary System and the estimated cost of a further special payment as set out in the assessor's report received since the end of the half year.

Rhone-Poulenc sales rise

FRANKFURT — Sales of Rhone-Poulenc, the French chemical group, totalled FFr 22.3bn (\$5.3bn) in the first eight months of 1979, up by 19 per cent from the corresponding period of last year, according to M. Jean Gandois, president.

M. Gandois said the sales figures indicated that Rhone-Poulenc's 1979 turnover would reach around FFr 30bn, 20 per cent up from the 1978 figure. He explained that the increase comprised a 10 per cent rise due to higher prices and a 10 per cent expansion of the

group's sales volume.

M. Gandois also said that Rhone-Poulenc would make its previously announced capital increase in the next few weeks. The rise will involve between FFr 400m and FFr 600m.

The chemical group's plans for the next few years included expansion of its U.S. operations to bring in 10 per cent of group sales, up from the present 6 per cent, M. Gandois said.

U.S. investments in 1980 will include a new plant in Freeport, Texas, to produce rare earth products AP-DJ

Statfjord contracts boost for Kvaerner

BY FAY GJESTER IN OSLO

THE NORWEGIAN Kvaerner Group, with interests in shipbuilding, oil platform fabrication, heavy engineering, trading and gas carrier operations, foresees profits before extraordinary items of about Nkr 100m in 1979 compared with Nkr 65m in 1978. Turnover is also expected to exceed last year's total of Nkr 2.3bn (\$458m), according to the eight months report.

Much of this year's improvement is a result of the Nkr 2.2bn contracts the group won last year to build sections of the second platform for the Anglo-Norwegian Statfjord field. Work on these orders will keep Kvaerner's Stavanger shipyard busy until spring 1981.

Other contributing factors were good results from an engineering consultancy company and improved earnings by the gas tankers in which the group has stakes. These rose to Nkr 49m in January-August 1979, from Nkr 18m in the same

period last year, and Nkr 26m in 1978 as a whole.

In a move to consolidate its shipbuilding interests, Kvaerner recently announced plans to take over a shipping company, A/S Dido, owned by the Helge Myhre shipping company of Stavanger. The group holds substantial stakes in the gas tanker fleet which Myhre operates. Subject to shareholder approval, the takeover will be effective from January 1.

Kvaerner's investment in shipping this year is expected to reach about Nkr 135m, of which 50 per cent is being financed by borrowing from Norwegian ship finance institutions. The market value of the gas carriers part-owned by Kvaerner is now well above their book value, the report says.

Trading activities brought a lower return this year than in 1978, and results were poor for some of the group's companies making heavy engineering products. The report says that the

Norwegian price freeze contributed significantly to these relatively unsatisfactory results.

Group turnover in the eight months reached Nkr 1.24bn compared with Nkr 1.12bn in

January-August 1978. Orders booked in the eight months reached Nkr 1.12bn, compared with Nkr 1.04bn in the same period of 1978 and Nkr 3.68bn in 1978 as a whole.

US DOLLARS 35,000,000.00
BEOGRADSKA BANKA
FLOATING RATE NOTES DUE 1983

In accordance with condition 11 of the notes, notice is hereby given that for the six month period October 29, 1979 to April 28, 1980, the notes will carry an interest rate of 16 1/4%. Relevant interest payments will be as follows:

Notes of US\$1,000 — 83.42 per Coupon
Notes of US\$10,000 — 834.17 per Coupon
Notes of US\$100,000 — 8341.67 per Coupon

THE FIRST NATIONAL BANK OF CHICAGO
Agent Bank

Each week, Pan Am flies 747s to these 7 important American cities on these 7 important days.

For most business travellers, the cities in the panel are the most important destinations in America. And the most important days for travel are, quite simply every day of the week. That's why Pan Am flies every day to every one of these cities. Giving you a service, flexibility and freedom no other airline can begin to match.



PAN AM

So choose your city. Choose your day. And choose too, from Pan Am's three classes of service. Luxurious First Class, with Pan Am's unique upstairs dining-room-in-the-sky, where you feast on superb international cuisine. On Clipper Class, now better than ever, where you get everything from a choice of 4 main courses, a First Class baggage allowance and an empty seat next to you whenever possible, to free drinks, and slipper socks for your feet. Or you could choose Full Service Economy Class and still enjoy full Pan Am service. Talk to Pan Am or your Travel Agent soon. You'll find you're spoiled for choice.

From London to	Leave	Arrive	Notes
Detroit	1100	1655	
Honolulu*	1325	2350	
Houston	1400	2135	
Los Angeles	1325	1630	
New York	1100	1335	
San Francisco	1400	1635	
Washington	1210	1510	Wed/Fri/Sun
Also Seattle	1440	1800	Mon/Tue/Thu/Sat
	1210	1350	Mon/Tue/Thu/Sat

* Connection via Los Angeles

We fly the world the way the world wants to fly.

This advertisement complies with the requirements of the Council of The Stock Exchange in London

European Investment Bank

Issue of
DM 100,000,000 8 1/2 % Bonds 1979/1989

The issue price of the Bonds is 100 per cent. of their principal amount

The following have agreed to procure subscribers for the Bonds and, to the extent that Bonds are not so subscribed, to subscribe therefor:

Berliner Handels- und Frankfurter Bank	Morgen Grenfell & Co. Limited
Baring Brothers & Co., Limited	Robert Fleming & Company Limited
Kleinwort, Benson Limited	Lazard Brothers & Company Limited
N. M. Rothschild & Sons Limited	J. Henry Schroder Wagg & Company Limited
Hambros Bank Limited	Hill Samuel & Company Limited
	Samuel Montagu & Company Limited
	S. G. Warburg & Company Limited

Application has been made to the Council of The Stock Exchange for the 10,000 Bonds of DM 5,000 each and the 1,000 Bonds of DM 50,000 each constituting the above issue to be admitted to the Official List as from 8th November 1979, subject only to the issue of the temporary Global Bearer Bond.

Particulars of the European Investment Bank and of the Bonds are available in the statistical services of Extel Statistical Services Limited and may be obtained during usual business hours up to and including 21st November, 1979 from the brokers to the issue:

Cazenove & Co.
12 Tokenhouse Yard
London EC2R 7AN

7th November, 1979

هكنا من الجول

Nissan boosted by better than expected exports

BY RICHARD C. HANSON IN TOKYO

NISSAN MOTOR, the manufacturer of Datsun cars, has reported record net profit and sales for the first half of the fiscal year, as domestic demand proved strong and exports benefited from a weaker yen, relatively low price deflation, and eager buying of small, fuel efficient cars in the U.S.

Net profit for the six months ended September 30 rose 15.6 per cent to ¥40.3bn (\$170m) on a sales increase of 15.1 per cent to ¥1,324bn (\$5.7bn).

Nissan, Japan's second largest motor company, appears to be doing much better on the export side than forecasts early in 1978 indicated. The sharp rise in the price of petrol in the U.S. and elsewhere has boosted demand for Japanese cars high enough to draw down American inventories substantially

prompting steep increases in shipments since the spring. Exports as a result were up 8 per cent to ¥542.3bn, with volume rising 6.5 per cent to 569,544 vehicles. The company has said that it expects to do broadly as well in the current half, but "hesitates to make precise forecasts".

Exports to the U.S. gained 4.9 per cent to 259,880 units. Exports to the UK were up sharply by 43.5 per cent to 66,469 units, while those to Europe as a whole rose 43.5 per cent to 146,892 vehicles.

Nissan seems, however, to be in a good position to continue its export sales. In introducing its 1980 model line in the U.S., the company's U.S. distributor has kept the average price increase to 2 per cent. This is slightly below Toyota's 2.5 per cent rise and below the 6.7 per cent increases of the

Japanese shipbuilders suffer setbacks

By Yoko Shibata in Tokyo

TWO LEADING Japanese shipbuilders, Kawasaki Heavy Industries (KHI) and Mitsui Engineering and Shipbuilding, have reported sizeable setbacks in earnings for the first half of the fiscal year, ended last September. However, both companies foresee some recovery for the current fiscal half ending next March.

Kawasaki Heavy Industries registered an operating profit of ¥2.97m (\$12.51m), down 39.7 per cent from a year ago. The company had earlier estimated an operating profit of ¥2bn.

The attainment of a profit was attributed to the recovery in export profitability resulting from the yen's depreciation and the sale of ¥7bn worth of securities.

KHI had an interim deficit of ¥1.98bn against a profit last year of ¥2.82bn. Sales totalled ¥208.5bn, down 13.8 per cent.

For the latter half of the fiscal year, KHI expects operating profits of ¥4.5bn without resorting to portfolio sales, and ¥3bn of exchange gains on the group's foreign currency based liabilities. As a result, the company expects full-year operating profits down 9.9 per cent to ¥4.8bn and net profits of ¥3bn, compared with a net deficit of ¥5.9bn, on sales falling to ¥490bn from ¥501.45bn.

Mitsui Engineering and Shipbuilding has reported an operating deficit of ¥2.86bn (\$11.22m), 18 per cent smaller than a year ago, and a net deficit of ¥2.17bn, reducing the loss by 25.7 per cent. Sales came to ¥100.27bn, down 0.4 per cent over the same period.

Although exports accounted for 68.4 per cent of sales, Mitsui did not feel the full benefit of the depreciation of the yen over the period. This was because nine ships, and a desalination plant for Saudi Arabia, which were included in the sales ordered in 1971-72 when the yen exchange rate was lower than the ¥24 at the end of September 1979.

The yen depreciation did, however, favourably affect new orders received which totalled ¥143bn during the half year, more than doubling the previous year (¥65.7bn). This was attributed to a large plant export order from China. The new orders will reflect on earnings after 1981.

For the current fiscal year ending next March, the company expects further rationalisation and cost cutting to bring its earnings back to the break-even point, on sales of ¥200bn, down 22 per cent from 1978-79.

Sharply rising costs hit JAL

BY OUR TOKYO CORRESPONDENT

JAPAN AIR LINES, Japan's partly Government-owned national carrier, had a major setback in earnings during the half-year ended September 30 as a result of sharply rising fuel and other operating costs. Net profit was down 66.8 per cent to ¥2.42bn (\$10.2m), despite a 15.1 per cent increase in revenues to ¥277.05bn (\$1.2bn).

The biggest factor cutting profits was the 56.4 per cent increase in fuel costs to ¥54.6bn from ¥34.9bn in the comparable earlier period. This combined with a 47 per cent rise in airport landing fees, to 22.8bn, and the more than doubling from last April of the cost of jet fuel to ¥8.9bn.

Internationally, JAL showed appreciable increases in the number of passengers carried, up 11.5 per cent to 2.3m, and the amount of cargo handled, up 17.6 per cent, particularly to Europe.

On the domestic side, which accounted for slightly more than one-third of revenues, operations were hampered by the grounding for 37 days of JAL's fleet of DC-10s. The DC-10s make up about one-quarter of the domestic fleet. The number of passengers carried domestically rose 8.1 per cent.

JAL, along with the other domestic carriers, is seeking a steep rise in domestic air fares (averaging 28 per cent for JAL) to cover the higher costs. Even if the price increase is approved during the current half year, JAL expects that domestic operations will show an operating loss for the year of around ¥13bn.

The Ministry of Transport is encouraging the airlines to cut back on the number of flights scheduled in the low-volume winter months to save on fuel consumption. JAL has already announced plans to suspend two flights between Tokyo and Hokkaido.

From the Ministry's point of view, the price increases on air tickets will also encourage a switch back to trains on the major trunk lines. Air fares at present are cheaper than first class express trains. Trains are regarded as making more efficient use of the rail network.

For the full year, JAL forecasts that its revenues will rise 21 per cent to ¥570bn, but that net profit will slip 10.5 per cent to ¥2.6bn. In 1978-79 net profit fell 64.3 per cent.

The company plans to maintain its eight per cent dividend for the year.

Earlier, All Nippon Airways, the largest domestic carrier, reported that it had suffered a net loss in the half year of ¥1.2bn against a year-earlier net profit of ¥3.6bn. Revenues were up 20 per cent to ¥155.1bn, and passengers carried rose 18 per cent to 1.7m.

As with JAL, however, soaring costs could not be contained. The company expects a heavy loss on domestic operations in the latter half.

BANK OF ADELAIDE Reserve Bank planned irregular take-over—Supreme Court told

BY JAMES FORTH IN SYDNEY

THE RESERVE BANK, Australia's central bank, threatened to take over control of the Bank of Adelaide last May—without sitting to comply with "technicalities" under the Banking Act, it was alleged yesterday in the South Australian Supreme Court. The Court is holding an inquiry into the Bank of Adelaide and its finance company, any offshoot, Finance Corporation of Australia (FCA), to decide whether it should agree to a merger between the Adelaide and the larger ANZ banking group.

The shareholders of the Adelaide have already agreed to a scheme of arrangement to implement the merger and it now needs the approval of the court. The inquiry was decided upon when several Adelaide shareholders opposed the merger on the grounds that insufficient information had been made available. The chairman of the Adelaide, Sir Arthur Lymill told the inquiry that an offer had been received from the Bank of New South Wales in April after FCA had suffered financial difficulties but was rejected, on the grounds that it was too low.

The Adelaide directors then approached the State Government to subscribe for AS40m (US\$44m) of preference shares, and were told the Government was prepared to put up AS10m provided the Adelaide could arrange a consortium to take up the other AS30m. Sir Arthur said that on May 5 Mr. M. M. Knight, the governor of the Reserve Bank, had told him that the top priority was a merger with a larger trading bank.

Asked whether Mr. Knight had given him a firm direction to effect a merger, Sir Arthur replied "Yes, he virtually did when he threatened us with entry. He said 'I know under the Banking Act I have to get a certificate from the auditor-general. I may not get it in time but I propose to enter'." Sir

Arthur said. He said that on May 10 the governor repeated his threat and said he intended to enter on the following Monday, May 14. Asked whether he took any steps to counter this threat Sir Arthur said "No, we recognised the Reserve Bank as our overlord, and you don't argue with them."

He said that if the Reserve Bank had entered the Adelaide it would have done irreparable harm. The Adelaide had then asked whether the Commonwealth would agree to an overseas bank coming into the picture or if the consortium could be made up of large companies, not necessarily banks. Both alternatives were refused. The Standard Chartered Bank of the UK recently revealed that it made an unsuccessful proposal to acquire control of the Adelaide and to merge its Australian finance company offshoot, Mutual Acceptance, with FCA.

Advance by Casio Computer

By Our Tokyo Correspondent

CASIO COMPUTER, one of the leading makers of electronic calculators, raised its net profit by 23.5 per cent to ¥1,680m (\$7.1m) in the half-year ended September 30, on sales up 20.7 per cent to ¥47.4bn (\$200m).

Exports, which made up nearly 60 per cent of all sales, rose by 32 per cent, helped by the decline in the yen in the foreign exchanges, which has largely offset the price disadvantage suffered as the yen gained sharply last year. The U.S. and Europe are the biggest overseas markets.

Casio expects that sales in the full year will rise 17.4 per cent to a record ¥95bn, with net profit up 21 per cent to ¥3.6bn.

KWV in liquor reorganisation

BY JIM JONES IN JOHANNESBURG

Coöperatieve Wijnbouwers Vereniging (KWV), the organisation which represents almost all of South Africa's 6,000 independent wine farmers, announced yesterday that it was involved in the planned reorganisation of South Africa's liquor industry. This has thrown the reorganisation into a new perspective.

For many months the KWV has been troubled by the beer war between South African Breweries (SAB) and the Rembrandt Group has led to over-emphasis on beer sales, at the expense of wine. This has been particularly in the 245 retail outlets controlled by SAB and 449 outlets controlled or influenced by Rembrandt and its associates. Wine margins, the KWV maintained, were trimmed to the detriment of the country's wine farmers—a sector of the Community with considerable political force in the Cape Province.

It was because of this that the KWV instituted a request Board of Trade inquiry into the country's liquor industry. It is said in the Cape wine growing areas that as the result of this inquiry, the

Minister of Economic Affairs, Sobalk van der Merwe approached the country's two liquor giants with a view to ending damaging competition. In the Cape, it is believed in the industry, the KWV and the Board of Trade had made proposals to the Minister agreed by SAB and Rembrandt whereby both groups will retain beer, wine and spirits interests. They are thought to involve an arrangement whereby SAB relinquishes its right to the Carling beer label. This would effectively give Rembrandt's Intercontinental Breweries a larger national beer market share than its currently

uneconomic 8 per cent. In exchange SAB would stand to acquire some of Rembrandt's liquor outlets. Perhaps more importantly, an end would be called to the practice of offering discount and special marketing privileges to controlled liquor retail outlets. This, the KWV apparently believes, would end the country's beer war and allow greater marketing emphasis to be placed on wine, and enhance its share of the national drinks market.

It would also mean that with both liquor majors operating on a market-wide basis, independent wine farmers would not have to sell to one buyer.

Mr. Bas Kardol, the chairman, reports that reduced to a comparable basis, turnover advanced by 24 per cent and pre-tax income by 20 per cent. The slower growth rate at the pre-tax level reflects in part increased competition. Although Mr. Kardol makes no prediction of likely competitive trends in his preliminary report, most Johannesburg analysts feel that competition is intensifying.

Dividends totalling 38 cents have been declared, against 25 cents in the nine months of the preceding period. In Johannesburg, Nampak shares are currently trading at 670 cents.

Exchange loss cuts profit at Qantas

By Our Sydney Correspondent

AUSTRALIA'S international airline, Qantas was hit by heavy foreign exchange losses in 1978-1979. The group earned A\$22.7m (US\$25m) from its airline and hotel operations, but this was reduced by foreign exchange losses to only A\$773,000 compared with A\$6.47m in the previous year. The directors will not recommend payment of a dividend.

Qantas carried a record number of passengers in 1978-1979 and increased its cargo traffic by 31 per cent to peak levels, but Sir Lennox Hewitt the chairman said prospects for the current year were much less with fuel bills alone expected to double. He said that higher seat occupancy and lower operating costs would also be of critical importance in meeting the new lower air fares. If the necessary service patterns and conditions relating to the lower air fares were quickly resolved, 1979-80 could be another successful year.

Sir Lennox said that exchange losses had been a massive drain on profits from airline operations. Two loans on Swiss francs totalling A\$55.57m had required repayments of more than A\$68.3m, almost half of this due to exchange fluctuations.

The loans were repaid a year early, saving the airline an extra A\$3.1m. Sir Lennox warned that further losses would occur until the Government allowed Qantas to borrow in Australian currency. In three years exchange losses had amounted to A\$45.44m, although they were expected to continue at a lower level this year.

BRAZILIAN INVESTMENTS S.A.

Net Asset Value as of 31st October, 1979
Per Depository Share: U.S.\$110.13
Per Depository Share (Second Series) U.S.\$81.43
Listed The London Stock Exchange

Nampak ahead midway

BY OUR JOHANNESBURG CORRESPONDENT

NAMPAK, the 55 per cent-owned holding company for Barlow Rand's packaging interests, has performed better in the financial year to September 30 than the management expected at the half-way stage. Pre-tax earnings were R42.8m (\$51.6m) against R24.5m that nine months to September, 1978. Turnover was R240m (\$289m) compared with R128m.

The figures for the two periods are not strictly comparable, as during year to September, the earlier packaging interests of Barlow Rand were merged with those of Nampak which was previously controlled by Reed International and called Reedpak.

New competition expected six months ago failed to materialise, so that both turn-

All these securities having been sold, this announcement appears as a matter of record only.

Bank of Tokyo (Curaçao) Holding N.V.

U.S. \$ 50,000,000

Guaranteed Floating Rate Notes due 1989



unconditionally and irrevocably guaranteed by

The Bank of Tokyo, Ltd.

(Kabushiki Kaisha Tokyo Ginko)

- S. G. Warburg & Co. Ltd.
- Banque Nationale de Paris
- The Development Bank of Singapore Limited
- Morgan Guaranty Ltd.
- Credit Suisse-First Boston Limited
- Deutsche Bank Aktiengesellschaft
- Manufacturers Hanover Limited
- Pierson, Halding & Pierson N.V.
- Swiss Bank Corporation (Overseas) Limited

- Bank of Tokyo and Detroit (International) Limited
- Daiba Europe N.V.
- Bank of Tokyo (Holland) N.V.
- Singapore-Japan Merchant Bank Limited

- Algemeene Bank Nederland N.V.
- Andreas Bank A.S.
- Ranco di Roma
- Bank Mees & Hope NV
- Bankers Trust International
- Banque Générale du Luxembourg S.A.
- Banque de Neufchâteau, Schimberg, Mallet
- Banque Privée de Gestion Financière
- Barclays Bank International
- Banque Handels- und Frankfurter Bank
- Christiana Bank og Kreditkasse
- Compagnie Monégasque de Banque
- Credit Commercial de France
- Creditanstalt-Bankverein
- Richard Dams & Co.
- Dillon, Read Overseas Corporation
- Europomobiliare S.p.A.
- Fuji International Finance
- Girocentrale und Bank der österreichischen Sparkassen
- Groupement des Banquiers Privés Genevois
- Jardine Fleming & Company
- Kredietbank S.A. Luxembourgeoise
- Lloyds Bank International
- B. Metzler soeh. Sohn & Co.
- Morgan Guaranty Pacific
- New Japan Securities Europe
- Nippon Kangyo Kakumaru (Europe)
- Orion Bank
- Privatbanke A/S
- Sanyo Securities Co., Ltd.
- Société des Banques S. G. Warburg et Len
- Société Séparée de Banque
- Svenska Handelsbanken
- Tokyo Finance (Asia) Ltd.
- Verelinde Westbank
- Warburg Pausen Becker
- Wood Gundy
- American Express Bank
- J. E. Cross & Co.
- Amsterdamsche-Nederlandsche Bank N.V.
- Andelsbanken A/S Dannebank
- Banco Commerciale Italiana
- Banco Nacional del Lavoro
- Banco de America International
- Bank Julius Baer International
- Bank Guiseppe, Esmer, Rangener
- Bank Leu International Ltd.
- Bank of Tokyo (Deutschland)
- The Bank of Tokyo (Luxembourg) S.A.
- Bank of Tokyo (Switzerland) Ltd.
- Banque Bruxelles Lambert S.A.
- Banque Européenne de Tokyo
- Banque Française du Commerce Extérieur
- Banque de l'Indochine et de Suez
- Banque Internationale de Luxembourg S.A.
- Banque Louis-Dreyfus
- Banque de Paris et des Pays-Bas
- Banque de Paris et des Pays-Bas (Suisse) S.A.
- Banque de la Société Financière Européenne
- Banque de l'Union Européenne
- Banque Worms
- Bayerische Hypothek- und Wechselbank
- Bayerische Landesbank
- Bergens Bank
- Centrale Rabobank
- Chase Manhattan
- Chemical Bank International
- Commerzbank
- Compagnie de Banque et d'Investissements
- Copencapital
- Copencapital Handelsbank
- Comptoir d'Escompte de Belgique
- Credit Industriel et Commercial
- Credit Lyonnais
- Credit du Nord
- Credit Suisse First Boston (Asia)
- Dai-ichi Kangyo Bank Nederland N.V.
- Dai-ichi Securities Co., Ltd.
- Dan zonske Creditbank
- Deutsche Girozentrale
- Deutsche Kommunalbank
- DG BANK
- Dresdner Bank
- Dresdner Bankhaus Lambert
- Effectenbank-Warburg
- First Chicago Asia Merchant Bank
- Robert Fleming & Co.
- Genossenschaftliche Zentralbank AG
- Antony Gibbs Holdings Ltd.
- Goldman Sachs International Corp.
- Göteborgs Bank
- Hambros Bank
- Hessische Landesbank
- Hill Samuel & Co.
- IBJ International
- Kidder, Peabody International
- Kleinwort, Benson
- Kreditbank N.V.
- Leazard Brothers & Co.
- Leazard, Frères et Cie
- London & Continental Bankers
- McLeod Young Weir International
- Merrill Lynch International & Co.
- Mitsubishi Bank (Europe) S.A.
- Mitsui Finance Europe
- Samuel Montagu & Co.
- Mocym Grenfell & Co.
- MTBC & Schroder Bank S.A.
- Nederlandsche Middenstandsbank N.V.
- Nederlandse Credietbank N.V.
- Norddeutsche Landesbank
- Nordic Bank
- Okeana Securities Co., Ltd.
- Sal. Oppenheim jr. & Cie.
- Osterreichische Landesbank
- Oversea-Chinese Banking Corporation
- Postbank
- Scandinavisk Bank
- Schroder, Mitschmeyer, Hengst & Co.
- J. Henry Schroder Wagge & Co.
- Skandinaviska Enskilda Banken
- Smith Barney, Harris Upham & Co.
- Société Générale
- Société Générale de Banque S.A.
- Strass, Turnbull & Co.
- Sumitomo Finance International
- Sun Hung Kai International
- Taiyo Koba Finance Hongkong
- Takagin International (Asia)
- Tokai Kyowa Morgan Grenfell
- Trade Development Bank
- Union Bank of Finland Ltd.
- United Overseas Bank Limited, Singapore
- J. Vontobel & Co.
- Wako Securities Company
- M. M. Warburg-Brinkmann, Wirtz & Co.
- Westdeutsche Landesbank
- Williams, Glyn & Co.
- Dean Witter Reynolds International
- Yamaguchi International (Nederland) N.V.
- Yamatase Securities Co., Ltd.
- Zentralparkbank und Kommerzbank, Wien

These securities were placed privately through the undersigned. This advertisement appears as a matter of record only.

U.S. \$40,000,000

EUROFIMA

(European Company for the Financing of Railway Rolling Stock)

Floating Rate Notes Due 1989

- Dean Witter Reynolds International, Inc.
- Bank of America International Limited
- Banque Arabe et Internationale d'Investissement (B.A.I.I.)
- Banque Bruxelles Lambert S.A.
- Banque Nationale de Paris

November 7, 1979

ADVERTISING ANNOUNCEMENT

Message from
Mr. C. P. Srivastava,
Secretary-General of the
Inter-Governmental Maritime
Consultative Organisation.



Not very long ago the largest ships in the world were almost all passenger liners. Today the new giants of the oceans are the oil tankers. Tankers also constitute the largest proportion, in tonnage terms, of the world's merchant fleet. With the undeniable importance of oil to the world's economy few can doubt the crucial role of these

INTERTANKO supports IMCO in improving safety at sea

tankers in the trade and development of the world. Additionally the increase in the size of tankers and in the frequency of tanker movements on the crowded sea routes of the world have inevitably and justifiably focused global attention on the need for renewed efforts to prevent and control marine pollution from the transportation of oil by sea. IMCO provides the primary and universally recognised focus and forum for these efforts. Although an inter-governmental organisation, IMCO welcomes and indeed seeks the co-operation of all

bodies and agencies which have an interest in its work or are capable of contributing to the success of its endeavours. A very large proportion of the oil tankers plying the seas now are owned by independent companies, most of which are members of INTERTANKO. IMCO considers that INTERTANKO and its Member companies have a significant contribution to make to the effective implementation of the international standards and regulations adopted within IMCO for the purpose of pro-

moting the safety of tankers and the prevention of marine pollution from ships, standards and regulations relating *inter alia* to the design, construction, equipment and operation of tankers and to the training of the persons engaged on such tankers. It is in recognition of this that the Council of IMCO has decided, subject to the approval of the Organisation's Assembly, to grant consultative status to INTERTANKO. This status will, it is believed, enable INTERTANKO to contribute the benefit of its experience and expertise of its Members to the deliberations, programmes and efforts of IMCO.

The earnestness with which INTERTANKO has sought this relationship with IMCO and the enthusiasm with which the Chairman and Members of INTERTANKO have reacted to the news of the Council's decision are most heartening to me. Indeed I welcome greatly the desire of INTERTANKO to collaborate with IMCO not only in formulating and adopting standards and regulations but in getting such standards and regulations effectively implemented at all relevant stages.

In conveying my warmest good wishes to INTERTANKO on this occasion, I wish to emphasise my belief that under the dynamic leadership of Chairman Sir Yue-Kong Pao, INTERTANKO will play a unique role in promoting further the observance of IMCO's global standards, thereby supporting the ceaseless effort of IMCO for securing safer shipping and cleaner oceans. Closer co-operation between the two organisations will be most beneficial to the world maritime community.

"INTERTANKO — Nine Years of Achievement"

The 300 independent tanker owners from 23 maritime countries represented in INTERTANKO are greatly pleased with IMCO's decision to grant their Association consultative status. Together with the consultative status obtained with UNCTAD (the United Nations Conference on Trade and Development) on the 8th October, 1979, this event reflects the international recognition of the work of INTERTANKO.



Sir Yue-Kong Pao C.B.E., LL.D., J.P. Chairman INTERTANKO and Chairman and Chief Executive World-Wide Shipping Group

TANKO and of its individual members, and the importance of their industry in the global context.

The independent tanker owners are proud of their industry which has provided reliable, economic and efficient

services for the movement of crude oil, products, and gas for many years. They have traditionally provided a major portion of the total tonnage required to link the oil and gas producing areas with the consuming areas, and thereby greatly assisted in the development and deployment of those energy resources. The independent tanker industry has also helped to create significant job opportunities throughout the world in shipbuilding, ship supply and ship-related service industries, as well as onboard their vessels and ashore. Tanker owners are major users of credit and in many instances have stimulated the growth of financial services and facilities. In summary therefore, the members of INTERTANKO constitute a major economic force in all respects, and one whose well-being should be of particular relevance to our energy-hungry world.

INTERTANKO is however not a cartel and does not, nor indeed can it dictate the commercial decisions of the individual member companies or the overall market situation. The members act independently in an extremely competitive environment and in a truly international market which is characterised by a high degree of mobility. While the old principle of the "freedom of the sea" is being eroded more and more in our time in its physical, commercial, and legal applications, the independent tanker industry basically still maintains the flexibility to respond relatively swiftly and effectively to new requirements, as it has also adjusted to the cyclical ups and downs of the market. The preservation of this freedom for

members to act competitively, and of having free access to the markets and to all cargoes is of great concern to INTERTANKO, and presently one of its major tasks. INTERTANKO believes that a viable and yet cost-effective tanker industry can only survive if restrictions imposed by national governments or by international conventions are necessary for technical or operational reasons, and justified in terms of producing improved performances by tankers and their crews, but not where regulations are designed to interfere with the free play of the market forces, or intend to destroy the competitive commercial base on which the industry now rests.

The very unfortunate tanker accidents of recent years, together with the formidable size and complexity of modern tankers and the larger number of tanker movements have naturally drawn wider attention to our industry and its constituent members, and have produced more serious public concern with safety and the protection of the maritime environment. At the same time, questions relating to marine personnel, their backgrounds, training and qualifications, as well as their comforts and remuneration have become the subject of serious debate and examination. Human error is admittedly still the major cause of maritime casualties and only a concerted and sustained educational effort, coupled with the provision of an acceptable working environment will give us a chance to overcome the problem. Tanker owners are aware of the difficulties, and anxious to make improvements where feasible and acceptable to all concerned parties.

In this context, tanker owners and operators applaud the remarkable achievements of IMCO and are ready to support the excellent work done by IMCO and the administration of those port and flag states dedicated to bring about a uniform and practical regime for the tanker trade to improve safety and prevent marine pollution. On the other hand, INTERTANKO deplores short-sighted reactions and attitudes which try to attach blame *only* to the tanker owners and their vessels, without the realisation that the tanker trade demands well-integrated systems—in both human and technical terms—from the very first designs of vessels to the skills of each individual officer and sailor aboard. It continues to be as necessary for individual governments to promote safety features and pollution prevention ashore, such as navigational aids, stop reception facilities, sheltered anchorages for disabled tankers, training establishments for tanker crews, effective equipment and organisations to deal with oil spills, adequate quality controls, as it is for tanker owners to have their vessels conform to internationally accepted standards, classification society rules or statutory prerequisites. IMCO has been able to move quickly and decisively in the past few years to formulate new requirements and regulations, and INTERTANKO looks forward to co-operate with IMCO, and with individual governments, in their implementation.

The tanker industry has experienced a very difficult time of late which some of our members will remember as one of the worst shipping crises ever. While there is now some hope that the worst market is behind us, freight rates are still hardly sufficient to allow break-even operating results. The structural and other modifications required for vessels under the new IMCO rules will therefore produce heavy financial burdens on each individual owner and this at a time when the market prospects are still clouded. The uncertain outlook for crude oil supplies and the apparent inability of the oil consumers to develop cohesive and rational energy policies prevent the creation of stability on the oil price front and do not allow more accurate expectations for future growth in world trade.

However, INTERTANKO is encouraging its owner members to take positive steps on the assumption that ratification of the IMCO Convention and Protocols will take place at an early date. The Association is also working closely with other industry organisations to ensure that joint efforts are made where common problems exist, and we hope that this liaison function will continue and grow in the years to come. The international character and the diversity of INTERTANKO's membership normally makes it possible to find solutions that can be both practical and acceptable for the industry at large. We believe that INTERTANKO's voice is respected and hope that its views can be heard as sound commentary on world shipping affairs.

Our membership is united in the conviction that independent tanker operations will not only

be a useful but an essential ingredient of the world economy also in future, and that despite market fluctuations and the occasional adverse publicity our industry receives, the value of the transportation service available to all nations through the generally well-managed and highly flexible independent tanker tonnage has been proven.

"INTERTANKO and Relationships with Governments"

State interference in shipping is increasing from year to year and free enterprise in shipping is severely endangered. We must, of course, admit that a "freedom of the seas" has perhaps always been subject to links between the shipping business and government activities. Cromwell's Navigation Act was promulgated in 1651 and was alive for almost two centuries before it was buried in 1849. This date marks the beginning of the "golden age" of shipping which lasted until the outbreak of the first world war. The recent proposal of the UN organisation, UNCTAD, to introduce cargo sharing in the bulk trades is a new side to the same problem. Opposing "freedom of the seas" is not a new concept. Some developing countries believe that this is the way to get a better foothold in shipping.

On the national level more and more countries have tried, and are still trying, to develop a merchant marine of their own with the consequence of protecting their national flag. Preferential treatment of the own flag and discrimination against ships of other flags begin to dominate the scene. The "have nots" with ambitious aims enter the arena of international shipping, so long occupied by the "haves" alone.

In this politically dominated environment, the tanker operators must play an active role in order to influence the framework within which they operate. Unilateral action is often selfishly motivated and main considerations are often based upon the well-being of one sector only. It is a task for INTERTANKO, as the mouthpiece of the privately owned international tanker industry, to make clear to governments and intergovernmental agencies, the benefits of a free tanker trade. As another article in this supplement shows oil transportation costs have decreased drastically over the last 25 years but national cargo policies will only give rise to higher costs and a less efficient service.

Developing countries claim their right to participate in shipping and this end shall be obtained by international legislation. However, legislation and/or capital are not sufficient to secure a profitable share of the shipping market. It is a gradual process to build up a new industry and know-how in the field of management, training, finance and the like is crucial. INTERTANKO has proposed to UNCTAD that transfer of knowledge and know-how by existing shipping entrepreneurs could be the key to the prosperous expansion of new shipping ventures in the developing world.

In the 1970's the growth of the fleet in prominent developing countries has been higher than the corresponding increase in the fleets of traditional maritime countries. The performance of Singapore and Hong Kong are examples of how an industry has been developed within a competitive environment, and this development is a result of the successful transfer of know-how, particularly from Japan and Europe.



Dr. Rolf Stoetter Vice-Chairman INTERTANKO — Partner John T. Essberger.

In the present shipping crisis, it is a very important task for INTERTANKO to inspire governments to adopt policies which do not prolong the crisis. INTERTANKO has persistently referred to the dangers of subsidising shipbuilding and thereby constructing tonnage for which there is no commercial demand. If large-scale subsidisation is being continued, the tonnage surplus will be made even more serious. INTERTANKO has pointed out to governments that subsidising scrapping is an avenue to follow. In Japan the government has now put up scrapping subsidies which will contribute to reducing the tonnage surplus. In liaison with governments, we have also pointed out that tankers, instead of lying idle, should be used for alternative purposes. With the present precarious oil supply situation, vessels could usefully be used for storage space. The Japanese government has again shown how to handle this: last autumn 20 very large crude carriers were employed as floating storage off the coast of Japan. In addition to offering strategic security, the scheme has also turned out to be a very good commercial venture.

Marine Safety Services Train to avoid disasters

MARINE SAFETY SERVICES — train and exercise Officers and crews where it really matters, in their own ships and with their own equipment, whilst on passage.

Training includes emergency organisation, fire fighting, rescue, survival, pollution prevention, COW, IG Operation, handling of LPG, LNG and chemical cargoes, indeed, all aspects of operating safely on-board.

No other Safety Consultancy in the world offers this service, yet it is the most cost-effective, realistic and efficient method of instruction.

MARINE SAFETY SERVICES LTD., ALBION HOUSE, 87 ALDGATE HIGH STREET, LONDON EC3N 1LH. TELEPHONE: 01-483 2601/2 TELEX: 885551 MARSAFCON



TANKERS

from Centromor

- Gas Carriers
- Chemical Tankers
- Product Tankers
- Crude-Oil Tankers

Head Office: Okopowa 7, 80-819 Gdansk, Poland. Phone: 31 22 71, Telex: 0512376, Cable: Centromor Gdansk

U.K. Office: Daltrade Limited, 181-183 Warwick Road, London W14 8PU

E.A. GIBSON Shipbrokers LTD

Services to the Shipping Industry

Tanker Chartering: fast, expert, accurate advice for companies requiring tanker tonnage and owners needing employment for all types of vessels including LPG/LNG.

Offshore Development: provision of rigs etc. Research Department provides computer-based market intelligence to assist clients in furthering their business.

Negotiation and Management of Bunker Contracts: providing a first class service for owners either on a spot or contractual basis.

Enquiries to: Remington House, 61-65 Holborn Viaduct, London EC1P 1HP, England. Telephone: 01-236 4222. Cable: Blue Ribbon London EC1. Telex: 888201/2/3/4

TANKER AND DRY CARGO CHARTERING BROKERS

SALE & PURCHASE BROKERS

JOHN I. JACOBS & COMPANY LIMITED

(Established 1880)

19 Great Winchester Street, London EC2N 2DB. Telephone 01-588 1255 Telex 888081

OFFSHORE BROKERS (Jacobs & Tenvig Offshore Ltd.) Offices in London (as above) and Aberdeen

Affiliated with Lloyds' Insurance Brokers R.K. Harrison, J.I. Jacobs (Insurance) Ltd. Europe House, World Trade Centre, London E1 9AA. Tel. 01-709 9431 Telex 885783

Reliability ...

an integral part of Hastie-Brown ship steering gears

JOHN HASTIE OF GREENOCK LIMITED

P.O. BOX 18 KILBLAIN WORKS PRINCES STREET GREENOCK PA15 1TG SCOTLAND TELEPHONE 0475 22286 TELEX 77194

Hamworthy Waste Disposal Systems Sewage Units - Incinerators

OVER **4,000** units sold for marine use

Hamworthy Engineering Limited, Poole, Dorset, BH17 7LA. Tel: 020-13 5123. Telex: 41348.

VICTOR PYRATE

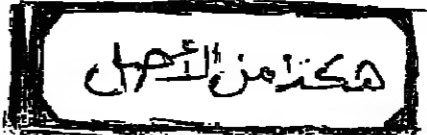
crude oil washing and the new IMCO recommendations

EQUIPMENT: The VP Monomatic fixed machine was specifically developed some five years ago to meet the new techniques of crude oil washing. With hydraulic operation and variable nozzle angular control it fully meets all the requirements for crude oil washing equipment in the 1978 IMCO recommendations.

EXPERIENCE: VP-Matic and VP-Monomatic machines have been in service for up to seven years with a proven record of performance and reliability. Over 150 ships from 55,000 to 485,000 tons have been fitted with this equipment, representing a total of over 8,000 machines.

Victor Pyrate Limited, Ardsdale Avenue South Ockendon Essex RM15 5DP, phone South Ockendon (04025) 6121 Telex 897827

هكزا من التحويل



ADVERTISING ANNOUNCEMENT

from minor voyage repairs up to major conversions

Repairing ships means keeping in mind two vital factors: quality and quick delivery. Relatively few shipyards in the world are fully capable to handle all repairs. The members of the RSV-group are amongst these few.

*E.g. 22 repair dry docks ranging from 1.500 to 500.000 dwt. Tankcleaning facilities for ships up to any size.

P. Smit Jr's Shipbuilding and Engineering Works, Rotterdam. Tel. 010-193300 Verolme Dock Drydock Yard Ltd., Cork, Rep. of Ireland. Tel.: Cobh 811831. And subsidiaries.

For shiprepairs and new building contact one of the shipyards of RSV: The Rotterdam Dockyard Co Rotterdam. Tel. 010-879111 Wilton-Fijenoord, Schiedam. Tel. 010-269200 Verolme Dock- and Shipbuilding and Co., Rotterdam. Tel. 01819-14644 Royal Schelde, Vlissingen. Tel. 01184-83911



For carrying out voyage repairs day and night, also during weekends in the port of Rotterdam, including the Botlek and Europort region: Wildock Service, Rotterdam. Tel. 010-161952

RSV/Shiprepairs 3000 AH Rotterdam, The Netherlands, Weipaathoef 23, P.O. Box 322. Telephone: (+3110) 385333. Telex: 20216

RULES • CLASSIFICATION • VERIFICATION • QUALITY ASSURANCE
INSPECTION • DATA TECHNOLOGY • RESEARCH

FOR SAFE AND ECONOMICAL OPERATIONS WORLD WIDE

DET NORSKE VERITAS

P.O. BOX 300, N-1322 HOEVIK, NORWAY

ESTABLISHED 1864 - 250 OFFICES IN 100 COUNTRIES

The value of the oil on board the vessels has increased by more than 200 million dollars since it was loaded last autumn.

A particular project on which INTERTANKO is working together with the Kuwait government, involves the use of tankers for carriage of fresh water as ballast on board on their return trips to loading areas. The Agricultural University in Norway has conducted research on the irrigation of vegetables with fresh water contaminated with crude oil. The results are promising and further work will be done to look into the possibilities of providing irrigation water in desert regions.

We already have a useful exchange of information with the Secretariat of the Organization for Economic Co-operation and Development (OECD). Our newly obtained consultative status with IMCO is a further sign of the improved relationship between INTERTANKO and governmental bodies.

"Tanker Industry Vital for Energy Supply"

As we enter the 1980's more interest is being focused on the subject of energy than on any other determinant of our future. The energy crisis of the 1970's have highlighted the precarious position of development efforts in most countries and also illustrated the difficult tasks ahead for planners and entrepreneurs in adjusting to a future of energy constraints. Such difficulties are obviously at hand for those who are involved in the shipping industry or for those who attempt to regulate it wisely.

A great number of alternative energy scenarios are available but it appears to be beyond doubt that the adjustment of the current energy consumption pattern will be a slow and painstaking one. In 1978 about half of the world's energy needs were met by oil. Gas and coal accounted each for about one-fifth of the total energy consumption. The remaining part being covered by hydro-electric power and nuclear power.



S.H. Salen Vice-Chairman of INTERTANKO and Chairman, Salenrediererna.

The efforts to avoid an oil crisis are following different paths: conservation; to reduce the growth of energy consumption. Diversification, to make possible the use of other actually available energy sources such as coal instead of oil. Innovation, which would introduce entirely new sources of energy into a supply pattern of energy-dependent economies. All these approaches have their limits. Conservation, as long as it does not mean outright rationing, must be propagated with assistance of the stick of prices and the carrot of incentives. Experience to date suggests that consumption patterns at least in the industrialised societies are very stable and can be shifted only by long-term effort. In the argument about substitution the potential of coal plays an important role. Not only is coal a very abundant resource but it also has the attraction of offering possibilities for large scale use that appear to be well within reach technically. Very large coal deposits are also available in close proximity to important consumption areas which would lessen transport costs and also reduce the political problems of energy supply. Nevertheless a massive shift from oil to coal burning will take a decade or two to complete in the industrialised societies.

Even longer time will be needed for efforts in the innovative field, i.e. the introduction of new alternative energy sources, to have effect. A number of important technological breakthroughs are necessary for most such energy sources to become viable alternatives to the major ones mentioned above. It is therefore unrealistic to assume any major impact from such efforts within this century, which is not the same as saying that such efforts should not be made. This line of reasoning means that oil will remain the most important single source of energy, in all probability for the remainder of this century. At present inter-area oil movements cover about 25% of the total energy needs of the world (34% if the Eastern Bloc is excluded). It is therefore safe to say that the tanker industry will remain one of the arteries through which the world's need for energy is satisfied. This would appear even more likely, given the number of developing countries which are making headway along the path of development, increasing their need for energy dramatically in the process.

Tanker Safety

It is a truism that all responsible independent tanker owners are fully as concerned about safe tanker operation and the preservation of clean seas as anyone else. Recent serious casualties with resultant oil spills have understandably attracted much public interest and comment on tanker operation, but this must be set in the context of the huge number of tankers that carry enormous quantities of oil around the world every day without mishap and therefore without attracting attention.

INTERTANKO took an early position of doing everything in its power to endorse the clean seas programme with the aim of minimising pollution of the seas in whatever way possible. We have campaigned hard for the increased provision of shore based oil spill disposal facilities so that tankers, having completed the essential task of cleaning tanks, would have readily available means of disposing of the slops safely and without pollution implications. Sadly, although some progress has been made, the provision of such facilities is still very inadequate in many parts of the world.



D. Hall Vice-Chairman INTERTANKO and Director Peninsular & Oriental Steam Navigation Co.

We have pressed hard for the elimination of the sub-standard tankers and have fully supported the work of IMCO resulting in the changes in the Marpol 78 protocols. There is no doubt that the mandatory provision of inert gas systems, segregated ballast systems and crude oil washing facilities will greatly reduce the risks of marine pollution and lead to safer tanker operation. As is well known, these provisions cannot become effective until a sufficient number of Governments worldwide adopt them, and INTERTANKO is continually pressing for early implementation.

A further important factor in ensuring proper standards of tanker maintenance and upkeep is the Port State inspection process and here the United States has led the way in the increased stringency of its tanker inspections and the enlargement of its very professional Coastguard Inspectorate. INTERTANKO welcomes the US lead in this respect and supports an extension of this programme worldwide. But it must be remembered that in order to give the flexibility of service to consumers that is so desirable in our industry, such inspection procedures must conform to reasonably common standards, the Inspectorates must be manned with properly qualified people, and the rules must be fairly applied in a non-discriminatory way.

Fundamental to all of the above and to safety at sea in the broadest sense is the continued will on the part of all shipowners to increase operating standards with ever better trained and better qualified crews. Crew training and certification is a complex subject and again INTERTANKO is playing its full part in promoting this essential feature of safe operation.

It will never, of course, be possible to eliminate the occasional accident, whether it be caused by human error or equipment failure. We can only do all in our power to minimise these occurrences and to put this into context, it is perhaps just worth remembering the words of the previous Chairman of INTERTANKO, Mr. Erling Naess, when he said that: "The accidental spillage of 220,000 tons of oil from Amoco Cadiz is about one ten thousandth part of the annual volume of oil transported by sea."

Oil Transportation in Tankers

It is getting cheaper and cheaper. T.R. Røigard General Manager, INTERTANKO

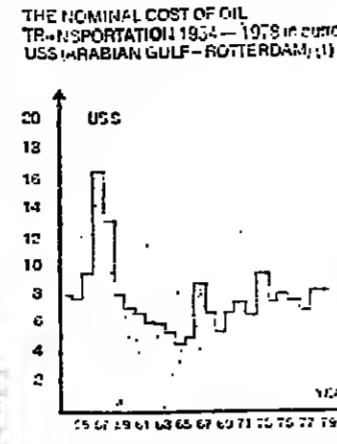
Except for electronic pocket calculators one is not used to anything getting cheaper nowadays. Inflation is a world-wide problem and the near future is not likely to bring any dramatic change to the picture. Hence one would not expect that one of the vital services to society is becoming steadily cheaper as time passes. The cost of seaborne oil transportation has, in fact, decreased over the last 25 years.

In nominal dollar terms the average freight per ton of oil carried from the Arabian Gulf to Western Europe was about the same in 1978 as it was back in 1954, i.e. approximately \$8.

Graph 1 shows the development in each year in the period 1954-1978. The freight costs have been converted from AFRA (Average Freight Rate Assessment) to USS. AFRA is the average of the commercial

charter rates being paid for crude oil tankers whether on long-term, short-term or single voyage fixtures. The AFRA rates, thus reflecting real transportation costs, are produced each month by an independent body, the London Tanker Brokers Panel. AFRA is used by governments as a component in price structures, and also by oil companies as the basis for intra-affiliate freight invoicing. AFRA rates are produced for several size categories, and as the bulk of the oil transported from the Middle East to Western Europe is in large tankers, the largest AFRA size is reflected in the graph.

GRAPH 1.



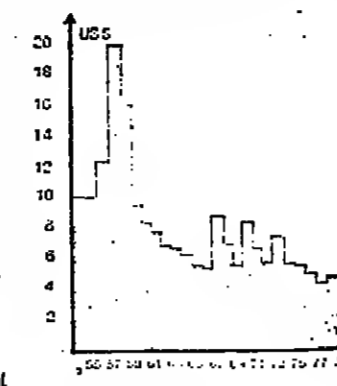
NOTE (1) Based on converted monthly AFRA 1954-1978. Conversion to USS via financial scale 1,11 and 1,11. Incomplete. (Worldwide) based on information from 11/10/54, London, State and Intertanko originally in UK Pound. Conversion factor Pound to USS = 2.80 up to 18/11/67, after which 2.40 up to 11/10/1978. Thereafter, the world's rate has been quoted in USS. INTERTANKO Research Dept.

Nominal freight prices do not tell the full story. To get a more correct picture, we shall have to assess the cost of oil transportation in real prices, i.e. the influence of inflation must be eliminated. In Graph 2 the nominal price of oil transportation has been deflated by the US Consumers' price index. From this graph showing real prices, it can be observed that costs per ton were slightly in excess of \$10 in 1954, whereas freight costs today are about \$4 per ton. Other countries have had significantly higher inflation rates in the period and thus the

development in real terms could have been seen in an even more flattering light.

GRAPH 2.

THE REAL COST OF OIL TRANSPORTATION ARABIAN GULF, WESTERN EUROPE 1954-1978 in 1967 constant USS (Deflated by US Consumer Price Index) (2)



NOTE (2) Consumer Price Index US Bureau of Labor Statistics.

By way of comparison, the price of crude oil is, for instance, about ten times as high today as in the mid 1950's. Although the price of oil transportation has been reduced by more than 50% in real terms, a critical voice would perhaps claim that tanker owners are reaping huge profits in the spot market, where a contract includes one voyage only. This market is catching the headlines in the media, and it is often characterised by feast or famine. Whereas some shipowners operating in the spot market made significant profits in a short-lived period in 1973, the subsequent famine has lasted for six years, and owners have, in fact, subsidised the transportation of oil. More importantly, the volatile spot market constitutes only a small proportion of the total oil market so that average freight costs are above all decided by rate levels in the time charter market. In 1973, about 10% of all oil was shipped in the spot section (at high rates), whereas the equivalent for 1978 was about 25% (at extremely low rates).

The fact remains that during a quarter of a century the tanker industry has been rendering a service of vital importance to society at ever decreasing prices. What is the explanation of this

Deep Sea Pilotage

HAMMOND DOVER

George Hammond (Shipping) Ltd., Limekiln Street, Dover, CT 17 9EE
Tel: 0304 201201 (After office hours: 0304 203333)
Tel: 96115. Radio: HAMMOND DOVER
Contact A.H. Ryeland, Ext. 247.

GALBRAITH'S

The International Tanker Brokers

Galbraith Wrightson Tankers
Galbraith House,
88 Fenchurch Street,
London EC3M 4DN
Telephone: 01-488 3411 Telex: 885871

At Your Service...

... Gray Mackenzie, Gulf-wide are at the service of the Oil industry. As shipping agents; Lloyd's agents; port operators; running the Grayswift tanker service; as owners of the largest fleet of marine craft in the Gulf and as managing agents for the Bahrain Slipway Company. Gray Mackenzie's daily business is your business. Contact us, now.

Gray Mackenzie & COMPANY LIMITED

Bahrain: 258154; Marine 243296; Slipway 322122; Dubai: 228181; Marine 223997; Graywift 226772; Abu Dhabi: 23131; Marine 23131; Shipping 20608; Kuwait: Kuwait Maritime & Mercantile Co: 434752; Oman: Oman United Agencies LLC: 702362; Iran: Khoramshar 3218; Tehran 314156

-wherever there's a job to be done

SEASCOPE

Specialist Tanker Brokers

WOODRUFFE HOUSE, COOPER'S ROW, LONDON, EC3 2NL
Tel: 01-480 6961 Telex: 886512
Cables: Seacharter, London and at Lloyd's and the Baltic

Den Haan Navigation Lights

- Meet the IMCO Collision Regulations
- D.T.I. and internationally approved.

By July 1981 all vessels will need navigation lights to meet this requirement.

DO YOURS?

For further details contact the sole U.K. Agents:-

BROWN & PERRING LTD
7, St. Botolph Street, London EC3A 7DT.
Telephone: 01-283 1699
Telex: 884 554 BPLDN

JOHN LILLEY & GILLIE LTD
Clive Street, North Shields, Tyne & Wear NE29 6LF.
Telephone: 0632 572217
Telex: 53600 Gillie G

Admiralty Chart Agents • Magnetic Compass and Nautical Instrument Suppliers and Manufacturers.

Keller, Bryant & Co Ltd

represent the following Repair Yards

AS.R.Y. China Shipbuilding Corpn. Curaçao Drydock Co. Inc. Lisnave Shipyards Onomichi Dockyard Co. Ltd. S.E.C.R.E.N. Setenave Shipyards Van Der Geissen-De Noord N.V. A G Weser	BAHRAIN TAIWAN CURACAO LISBON JAPAN MADAGASCAR SETUBAL HOLLAND BREMEN & BREMERHAVEN	also Roffite Marine Fuel Treatment also act as Loading Brokers, Freight Canvassers & Port Agents
---	--	--

CEREAL HOUSE, 58 MARK LANE, LONDON EC3R 7LB
Phone: 01-481 8833 & 8884 Telex: 887100 KBLDN G Cable: RELLEK LONDON EC3

LONDON STOCK EXCHANGE

Companies and Markets

Banking statistics cause late despondency in Gilt-edged and reverse good technical recovery in leading shares

Account Dealing Dates

First Declared Last Account Dealings... Oct 22 Nov 1 Nov 12 Nov 19 Nov 29 Nov 30 Dec 10

A promising technical rally in leading equities began cautiously... Although the movement was largely technical, there was some institutional support for selected shares...

However, immediate reaction to banking figures worse than most pessimistic estimates was abated followed by a wave of selling of Government securities... Equities were unable to resist the pressure and the index retreated sharply to close 2.5 down on balance at 418.5 for a turnaround of 10 points...

News that underwriting is in progress for an issue of 31.1m shares in Thorn Electrical prior to a revised offer being made for EMI, caused a considerable amount of dissent and led to a technical halt of dealing in EMI and Thorn shares around 1 pm...

To allow trading with New York, where EMI are listed, dealings in both companies were resumed at 3 pm and, in the absence of any official communique, Thorn were vulnerable and closed a net 18 lower at 38p. EMI settled a shade harder at 143p, after 147p, the increased share-exchange terms from Thorn...

Demand for Traded options improved slightly and a total of 624 contracts were completed... Monday's total was 988 and last week's average amounted to 869...

Dealings in Eusebanth were resumed following the conclusion of the conditional offer for the acquisition of the three companies... From an opening level of 105p, the shares slipped to 95p, but recovered to close at 104p...

Banks below best... Bull lately on the increasing belief that base lending rates will rise soon, the major clearing banks staged a useful technical rally at one stage and showed improvements of up to 12...

will rise soon, the major clearing banks staged a useful technical rally at one stage and showed improvements of up to 12... publication of the latest leading figures prompted a swift reaction which left Barclays up 5 up at 375p, after 362p, and 5 up at 375p, after 362p, and 5 up at 375p, after 362p...

Insurances reacted from a firm start to close at the day's lowest... Lloyd's Brokers showed particular firmness late with Willis Faber closing 7 down at 205p, C. T. Bowring 5 lower at 105p and Alexander Howden a 10p amount off at 85p...

Breweries and kindred issues recorded early gains on bearish closing but the rises were often erased later... Bass finished a penny cheaper at 197p, after 200p... Mid-term profits from 240p to end unchanged at 235p...

Firmer at first on technical influences, Buildings subsequently suffered a mark-down and ended with little change on balance... EMI and Thorn were down from 240p to end unchanged at 235p...

Depressed Burnet and Italian shares which dropped 30 to 40p... The acquisition of the three companies... From an opening level of 105p, the shares slipped to 95p...

Banking statistics caused late despondency... The major clearing banks staged a useful technical rally at one stage and showed improvements of up to 12...

House of Fraser firm... Revised rumors that Lorbis is about to launch a bid for the outstanding 70 per cent of House of Fraser's equity...

Food issues followed the general trend and finished lower on balance... The major clearing banks staged a useful technical rally at one stage and showed improvements of up to 12...

Wilkinson Match down... A promising technical rally by the miscellaneous industrial leaders soon came to an end following disappointing trading figures...

Oils erratic... Leading Oils joined in the general late movement and initial gains were rescinded or severely pared...

ACTIVE STOCKS... Table listing various stocks with their closing prices and changes.

DEALING DATES... Table listing various dealing dates for different companies.

RECENT ISSUES... Table listing recent issues of various companies.

FIXED INTEREST STOCKS... Table listing fixed interest stocks.

'RIGHTS' OFFERS... Table listing rights offers.

FIXED INTEREST PRICE INDICES... Table listing fixed interest price indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

unaltered at 157p, while Beecham were also unchanged at 124p, after 139p... Engineering leaders followed the general pattern, closing a little easier on balance after an early improvement...

Flight Refuelling at 170p, provided a rare upward movement to the Motor sector, recovering 15 of the previous day's fall of 22 which stemmed from nervous selling ahead of the interim results...

Modest gains in Properties were replaced by widespread and sometimes substantial falls as sentiment changed... The major clearing banks staged a useful technical rally at one stage and showed improvements of up to 12...

Leading Oils joined in the general late movement and initial gains were rescinded or severely pared... The major clearing banks staged a useful technical rally at one stage and showed improvements of up to 12...

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Oil Exploration encountered profit-taking and eased 10 to 67p, but Lasso held at 30p... Trust were again marked lower in flow with the general trend of the equity market...

Shipments failed to attract any follow-through to initial support and fell away by mid-afternoon... The major clearing banks staged a useful technical rally at one stage and showed improvements of up to 12...

South African Golds enjoyed their biggest one-day rises for nearly a month as the bullion price gained \$3 more to \$384 an ounce... The major clearing banks staged a useful technical rally at one stage and showed improvements of up to 12...

Share prices were marked up at the outset, reflecting strong overnight American buying... The major clearing banks staged a useful technical rally at one stage and showed improvements of up to 12...

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Financial Times Stock Indices... Table listing various stock indices.

HIGHS AND LOWS... Table listing high and low prices for various stocks.

S.E. ACTIVITY... Table listing South East activity.

NEW HIGHS AND LOWS FOR 1979... Table listing new highs and lows for 1979.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

LONDON TRADED OPTIONS... Table listing London traded options.

RISES AND FALLS YESTERDAY... Table listing rises and falls yesterday.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

UNIT TRUST SERVICE... Table listing unit trust service.

OFFSHORE & OVERSEAS contd... Table listing offshore and overseas.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

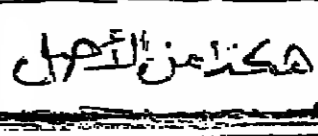
Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

Table listing various financial data and indices.

FT UNIT TRUST IN FORMATION SERVICE



AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as E. F. Winchester Fund Mgmt. Ltd., Enson & Duley Tst. Mgmt. Ltd., and others, including their names, managers, and contact information.

Table listing unit trusts under various management companies like Mayflower Management Co. Ltd., Target Tst. Mgmt. Ltd., and others, detailing their investment focus and performance.

Table listing unit trusts under companies like Commercial Unit Group, Landon & Nth. Mgt. Assur., and others, providing details on their fund structures.

Table listing unit trusts under companies like Scottish Widows' Group, Sun Alliance Life Assur. Co. Ltd., and others, including their investment strategies.

Table listing unit trusts under companies like Capital International S.A., Charthouse Capital, and others, detailing their international investment options.

INSURANCE PROPERTY BONDS

Table listing insurance and property bond products, including details on coverage, terms, and contact information for providers.

OFFSHORE & OVERSEAS FUNDS

Table listing offshore and overseas investment funds, detailing their international exposure and management details.

NOTES: Prices are in sterling unless otherwise indicated. Yield % shown in last column is for all buy-out prices. Offered prices include all expenses. A distribution free of tax is a periodic distribution. A yield % is based on the offer price. A yield % is based on the offer price. A yield % is based on the offer price.

INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo-TVA, BHP, and various mining and manufacturing firms.

INSURANCE—Continued

Table of insurance stocks including companies like Anglo-TVA, BHP, and various insurance providers.

PROPERTY—Continued

Table of property stocks including companies like Anglo-TVA, BHP, and various real estate and property management firms.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like Anglo-TVA, BHP, and various investment funds.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like Anglo-TVA, BHP, and various financial institutions.

MINES—Continued

Table of mining stocks including companies like Anglo-TVA, BHP, and various mining operations.

AUSTRALIAN

Table of Australian stocks including companies like Anglo-TVA, BHP, and various Australian-based firms.

OVERSEAS TRADERS

Table of overseas traders including companies like Anglo-TVA, BHP, and various international trading firms.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo-TVA, BHP, and various commodity traders.

TEAS

Table of tea stocks including companies like Anglo-TVA, BHP, and various tea producers.

INDIA AND BANGLADESH

Table of India and Bangladesh stocks including companies like Anglo-TVA, BHP, and various firms from these regions.

SRI LANKA

Table of Sri Lanka stocks including companies like Anglo-TVA, BHP, and various firms from Sri Lanka.

AFRICA

Table of African stocks including companies like Anglo-TVA, BHP, and various firms from Africa.

MINES

Table of mining stocks including companies like Anglo-TVA, BHP, and various mining operations.

CENTRAL AFRICAN

Table of Central African stocks including companies like Anglo-TVA, BHP, and various firms from Central Africa.

EASTERN RAND

Table of Eastern Rand stocks including companies like Anglo-TVA, BHP, and various firms from Eastern Rand.

FAR WEST RAND

Table of Far West Rand stocks including companies like Anglo-TVA, BHP, and various firms from Far West Rand.

O.F.S.

Table of O.F.S. stocks including companies like Anglo-TVA, BHP, and various firms from Overseas Financial Services.

FINANCE

Table of finance stocks including companies like Anglo-TVA, BHP, and various financial institutions.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo-TVA, BHP, and various mining operations.

OPTIONS

Table of options stocks including companies like Anglo-TVA, BHP, and various options traders.

3-month Call Rates

Table of 3-month call rates including companies like Anglo-TVA, BHP, and various financial institutions.

REGIONAL MARKETS

Table of regional markets including companies like Anglo-TVA, BHP, and various regional firms.

NOTES

Notes and disclaimers regarding the data provided in the tables.

RECENT ISSUES AND RIGHTS

Information regarding recent issues and rights of various companies.

THIS SERVICE IS AVAILABLE TO EVERY COMPANY

Details about the service provided by DAWA SECURITIES.

REGIONAL MARKETS

Additional information regarding regional markets.

OPTIONS

Additional information regarding options.

3-month Call Rates

Additional information regarding 3-month call rates.

REGIONAL MARKETS

Additional information regarding regional markets.

NOTES

Additional notes and disclaimers.

RECENT ISSUES AND RIGHTS

Additional information regarding recent issues and rights.

Rent from £1.25 sq ft... Fairview Creating hives for industry

Hull for your next expansion... Opportunities brochure from: Ian R. Holden

Government expects £650m cut in UK's EEC payment

BY RICHARD EVANS AND ELINOR GOODMAN

THE GOVERNMENT is reasonably confident it can obtain a reduction of about £650m in Britain's next contribution to the EEC budget at the Dublin summit later this month.

made and how quickly they will come into effect. The Prime Minister will continue to push for an early balance between Britain's contributions and receipts, partly on grounds of equity and partly for domestic political reasons.

Action starts against France on lamb ban

BY MARGARET VAN HATTEM IN BRUSSELS

THE EEC Commission yesterday formally opened legal proceedings against the French Government which could result in its facing the European Court of Justice again over its restrictions on imports of British lamb.

British product never reaches the French market. In its letter yesterday, the Commission is believed to have challenged this system and to have asked the French authorities of running a de facto quota system.

Bank hint of tax reform

BY MICHAEL LAFFERTY

THE prospect of a partial and early reform of the present corporation tax system was raised last night by Mr. Gordon Richardson, Governor of the Bank of England.

He said that the most obvious candidate for early reform was the system for giving relief in respect of changes in stock values. If an early change could be made here Mr. Richardson said it would be desirable that it be accompanied by the adoption of monetary adjustments, as advocated in the accountancy profession's inflation accounting proposals.

"This would also open up the possibility of providing tax relief on working capital employed by financial companies and, in particular, banks," he said.

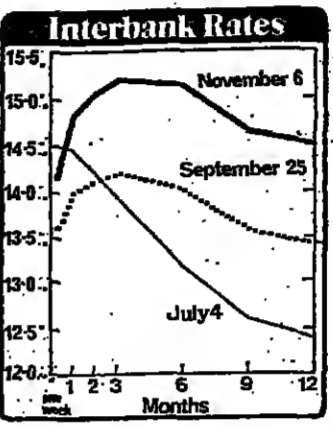
Speaking to members of the Institute for Fiscal Studies, the governor spoke of his belief "that it is of great importance for business to adopt accounting procedures that remove the distortions which arise in accounts when conventional accounting practices are followed in inflationary conditions for which they were not designed."

During the last decade the real profitability of companies had fallen in most industrial countries. In Britain the fall had been particularly sharp. Mr. Richardson said it seemed likely that "the mentality of historic cost accounting" had played a significant role in this.

THE LEX COLUMN Another surge of money growth

It is virtually impossible to find a kind word to say about the October banking figures. A 2.4 per cent rise in eligible liabilities came as a complete shock to the financial markets.

Index fell 2.5 to 418.5



Admittedly, the October figures are hard to interpret because of all the sizeable flows associated with the Government's swing away from direct to indirect taxation. Not all the Value Added Tax payments arrived on time which upset the official borrowing requirement. Then there was the problem of the income tax rebates and the engineering strike, which will have upset the seasonal adjustments. Even so the underlying trend in bank lending seems to have remained remarkably buoyant.

The October figures seem to have been as much a surprise to the Government as to everybody else. How else can the timing of the abolition of exchange controls, and indeed of the EP issue, be explained? Now the Government faces a familiar need to curb bank lending and get the funding programme rolling again. The authorities will need to be very confident of their facts if they are to dismiss the October figures as just an aberration.

Whitbread As usual, there is an element of might-have-beens about the Whitbread figures, though the half-time pre-tax improvement is solid enough at 14 per cent. Making the total to £38.3m. Delays imposed by the Price Commission in the implementation of the spring price rises cost £5m and industrial trouble at the Luton brewery, which caused Whitbread to lose a little

of its market share in lager, trimmed £1.5m of profits. Still, overall the group beat the target of around 2.5 per cent in national beer volume, thanks to the good performance of its bitter and continuing rapid growth in the take-home trade, while the wines and spirits side—including Long John and soft drinks operations have been buoyant.

With favourable weather the second half has started well, and Christmas prospects look promising—though Whitbread has decided not to raise its prices again until the New Year, which casts something of a shadow over second half margins. At this stage it looks as though the group could produce something like £62m pre-tax for the full year, against £54m, and price flexibility should leave this and other brewers reasonably placed next year compared with many other sectors. The prospective p/e at 116p could be around 6 (or maybe 10 fully taxed) and the yield is 6.4 per cent on the historic payments.

Thorn/EMI Thorn has paid a very high price to secure EMI's agreement to its increased bid. Before the first offer, EMI was capitalised at £106m, and since then the equity market has fallen by a tenth. The latest bid is worth the best part of £170m and the equity part of the package is underwritten, a key point in current market conditions.

Ohira wins re-election as Premier

By Charles Smith, Far East Editor in Tokyo

MR. MASAYOSHI OHIRA was re-elected as Japan's Prime Minister yesterday in an unprecedented Diet vote in which two candidates from the ruling Liberal Democratic Party competed for the leadership. The loser, another former Prime Minister Takeo Fukuda, declared after the vote that his fight was "not yet over."

CBI approves strike fund

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE Confederation of British Industry's proposed strike insurance fund is expected to be based on an annual income of £100m to £200m. Insurance brokers will finalise draft plans later this month.

A trial marketing exercise is planned for the strike fund in December, so that CBI leaders and their brokers can assess the size of premium companies would be prepared to pay for various sorts of cover. It might then open for business next summer.

to propose any early change in the law, because legally binding agreements were not operated under the Industrial Relations Act, 1971, and are not generally regarded as a key issue.

Continued from Page 1 Gilts added tax at the higher rate failed to come in on the expected scale, partly for administrative reasons.

Steel

element in the agreement between the Transport and General Workers' Union and the ISTC to end their demarcation dispute.

Industry urged to use more robots

BY DAVID FISHLOCK, SCIENCE EDITOR

MORE automation and greater use of robots in manufacturing industry—up to a level common among Britain's industrial rivals—was called for in a report to the Government yesterday.

After adjusting for seasonal factors this was a rise of about £800m which could mean a rise in lending in the whole banking system of approaching £1bn.

They mention special influences such as the initial pressure on companies' cashflow of refunds on employees' income tax, and increased lending to the engineering industry after the strike.

Weather

UK TODAY SUNSHINE with showers generally. Cloudy with rain in South and South Wales. London, E. Anglia, Midlands Bright intervals. Scattered showers. Max. 9C-11C (48F-52F).

Table with columns for location, day, and temperature. Includes entries for Worldwide, Y'sday, and Y'rday.

Patek Philippe Hand-crafted In 1839, the founding year of Patek Philippe, finishing a watch entirely by hand was the rule. Today it is the exception. Should rare watches made in this way appeal to you, so will our colour brochure The 7 Crafts of Patek Philippe. Please write to: Patek Philippe (U.K.) Ltd., Dept. FTN, P.O. Box Maidenhead, Berkshire SL6 3BQ.

Vertical sidebar containing various news snippets and advertisements, including 'Kennedy declares', 'Acrow', 'Whitbread', and 'Patek Philippe'.